

Sustainability Management

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CSO’s Message

CSO Message

The Toyota Tsusho Group’s sustainability management in pursuit of “Be the Right ONE”



Hiroshi Tominaga
Member of the Board &
Chief Strategy Officer (CSO)

Sustainability Is Synonymous with Good Management

The Toyota Tsusho Group’s fundamental philosophy comprises its corporate philosophy of “Living and prospering together with people, society, and the planet, we aim to be a value-generating corporation that contributes to the creation of prosperous societies” and its Global Code of Conduct & Ethics (COCE), which serves as its behavioral guidelines. This fundamental philosophy is positioned as the “Steadfast, overriding ideals that should be passed on through the generations.” We have so far enhanced our corporate value by engaging in environment-friendly businesses and developing people who will contribute to society.

The world today is facing problems such as abnormal weather related to climate change, forest destruction, resource exhaustion, and human rights issues. As such, when conducting business activities, society and the environment do not simply need to be considered; rather, they are prerequisites for engaging in business, essentially making them part of our business. Building a better society and global environment together with everyone is the essence of our sustainability, reflecting our belief that sustainability is synonymous with good management.

Under this approach, we are enhancing our initiatives aimed at realizing a sustainable society with a long-term perspective based on the three viewpoints of the environment, society, and governance.

Materiality

We have identified six Key Sustainability Issues (Materiality) toward realizing a sustainable society. They comprise four material issues for both solving social issues and achieving corporate growth and two material issues that will become foundations for company growth.

For more information, please see “Initiatives for Addressing Key Sustainability Issues (Materiality)” on pages 85 to 92 ➡

Four material issues for both solving social issues and achieving company growth

The four material issues for both solving social issues and achieving company growth were combined with our growth-driving strengths to incorporate them into our growth strategy as seven priority domains. We will promote our sustainability initiatives by linking business growth in these seven priority domains to contributions to society and the environment and steadily advancing our strategies.

Key sustainability issues (Materiality)

Main related priority domains

Material issues for both solving social issues and achieving corporate growth	Strive for the elimination of traffic casualties and contribute to the creation of a safe and comfortable mobility society	Next Mobility Batteries	Africa
	Contribute to the transition to a decarbonized society by reducing CO ₂ emissions from automobiles and factories/plants through the use of clean energy and innovative technologies	Renewable Energy & Energy Management Hydrogen & Alternative Fuels	Batteries
	Contribute to the development of a recycling-based society by transforming waste into resources for manufacturing	Circular Economy Economy of Life*	Batteries
	Grow with developing countries, including those in Africa, and endeavor to solve social issues through business operations	Next Mobility Africa Economy of Life*	Renewable Energy & Energy Management Circular Economy

Material issues that will become foundations for company growth

- Begin everything we do with ensuring safety and compliance, and continue to be an organization trusted by society
- Respect human rights and actively develop people who will contribute to society by nurturing them and giving them opportunities to apply their skills

* Economy of Life: Healthcare, foodstuffs, and other businesses that are essential to daily life that enhance the quality of life

Additionally, based on the thinking that structure follows strategy, we reorganized our organization together with the formulation of a new growth strategy, renamed our business divisions, and redefined their missions. The sales divisions will pursue their respective missions and evolve toward a future-oriented stance to accelerate the achievement of the new growth strategy.

For more information, please see “New Organizational Structure and Mission” on pages 39 to 58 ➡

Two material issues that will become foundations for company growth

The two material issues that will become foundations for company growth are to ensure safety and compliance and to respect human rights and develop people.

Ensuring safety and compliance is where we begin all work. Safety is about ensuring the physical and mental safety of our employees. Compliance refers to observing laws and regulations and developing organizations and cultures in which co-workers trust and support each other. Respecting human rights and developing people is based on the approach that we must nurture a culture that brings happiness to our employees and their families. Regarding respect for human rights, we bear in mind the need to cherish and always protect people, expanding our scope for doing so to our supply chain. As for developing people, we emphasize giving our employees a sense that they are contributing to society through their

work and making sure that Toyota Tsusho actively provides them with such opportunities.

We have set key performance indicators (KPIs) for six material issues to monitor their social impact results and progress. Furthermore, as for financial impact results, we have divided our seven priority domains, which are highly linked to our materiality issues, into three value domains, set ROIC targets in our Mid-term Business Plan, and clarified the returns that should be achieved in each domain. In addition, we regularly review the KPIs themselves, based on the changing trends and needs of international society, as well as on the environmental changes enveloping Toyota Tsusho, the challenges we face, and others.

For more information, please see “Investment Approach: Corporate Value Enhancement Cycle” on page 63 ➡

Our sustainability management going forward

We will address our material issues through the new growth strategy and a new organizational structure to build a better society and global environment together with everyone. At the same time, we will appropriately disclose such activities and work on engaging our stakeholders. Through engagement, we will come to understand our roles and responsibilities while pursuing our Global Vision of “Be the Right ONE (a one-and-only, essential presence)” to create and provide new worlds and value and contribute to the creation of prosperous societies.

Promoting Sustainability Management

Promotion Structure

As shown on p. 82, in Toyota Tsusho’s sustainability management promotion structure, the president & CEO convenes the Sustainability Committee under the supervision of the Board of Directors meeting, to which the discussions and decisions of the committee are reported. In addition, as members of the Board have abundant competence and experience in ESG-related issues, a system is in place to ensure appropriate supervision by the Board of Directors. Furthermore, each relevant meeting body discusses specific themes related to sustainability. Climate change in particular is discussed at the Carbon Neutrality Promotion Meeting, which is chaired by the president & CEO and meets monthly to discuss strategies for the transition to a decarbonized society.

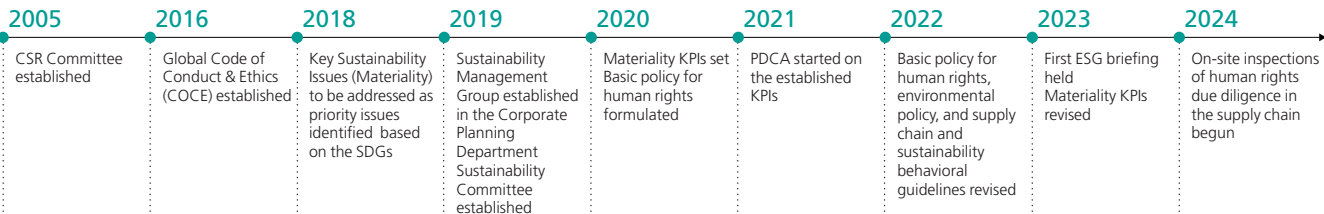
Under the supervision of the CSO (Hiroshi Tominaga, member of the Board), who is the officer in charge of sustainability, the Sustainability Management Group of the Corporate Planning Department serves as the secretariat of the Sustainability Committee and discusses sustainability promotion measures in cooperation with each sales division, the Administrative Unit, and companies in our corporate group.

Sustainability Committee

The Sustainability Committee meets annually to discuss and decide on important sustainability-related issues. The committee is chaired by the president & CEO and includes executive vice presidents, sales division CEOs, and relevant Administrative Unit officers as well as four outside members of the Board as advisors and the chairman of the Board and Audit & Supervisory Board members as observers. The committee determines important sustainability-related policies and identifies social trends, as well as discusses and decides on Toyota Tsusho’s response to them. The outside members of the Board participating as advisors have commented that Toyota Tsusho should “continuously review how Materiality KPIs are used” and “consider internal and external communication that will encourage more people to support Toyota Tsusho’s global initiatives that contribute to sustainability and make people want to participate in its work.”

As we move forward with our review of Materiality KPIs, we will also further improve information disclosure in our Integrated Report and on our corporate website, as well as through dialogue with internal and external stakeholders. In addition, an Administrative Unit subcommittee meeting is held once every two months for the heads of departments related to the Administrative Unit to promote initiatives on matters discussed and decided by the committee.

Sustainability Implementation Timeline



Sustainability Committee in December 2023
Main Discussions and Decisions

2023
<ul style="list-style-type: none">Confirmation of Toyota Tsusho’s basic stance on sustainabilityReview of the fiscal year ended March 31, 2024, and report and discussion of medium- to long-term initiativesApproval of changes to Materiality KPIsDiscussion of future action based on initiatives for Materiality and changes in the external environmentComments from the chairman and outside members of the Board
2022 (Reference)
<ul style="list-style-type: none">Overall picture of sustainability in Toyota Tsusho’s operating environment and the direction of future initiativesSharing of the latest trends in each ESG theme, their impact on Toyota Tsusho, and the company’s response to themInitiatives for materiality and future policiesComments from the chairman and outside members of the Board

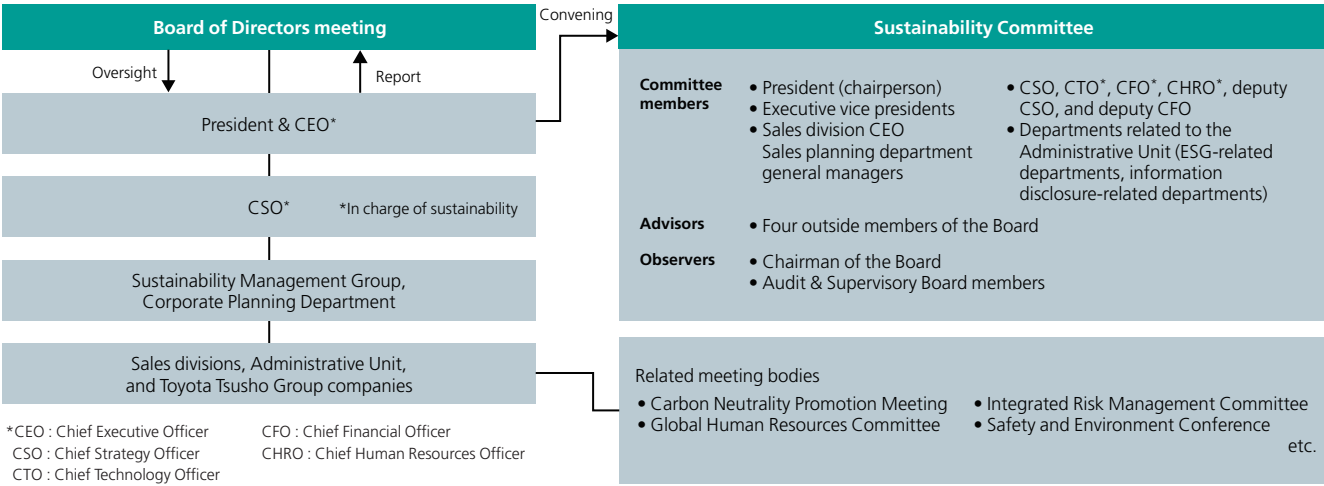


Sustainability Committee

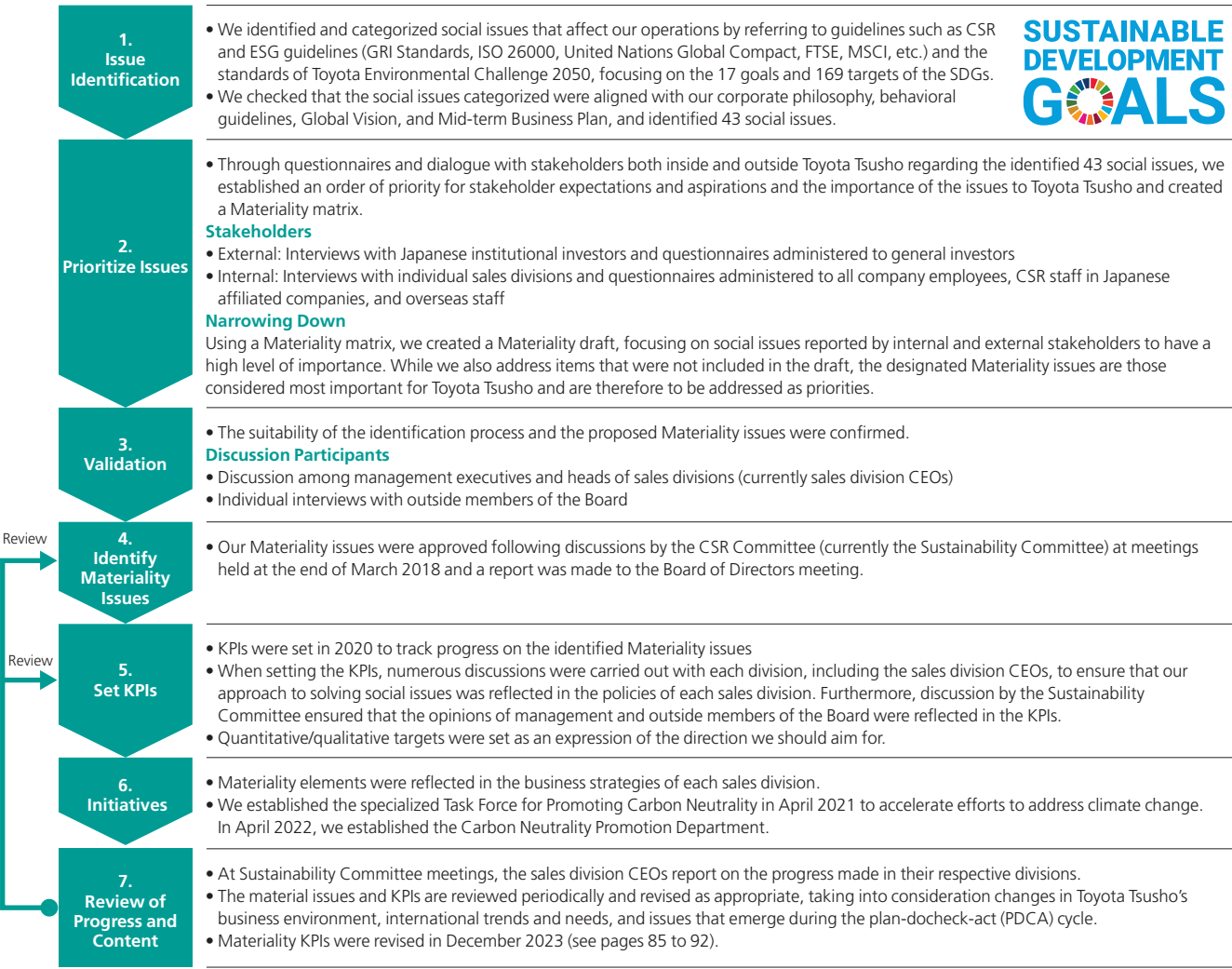
Spreading Awareness Among Employees

We have incorporated “contribution to the community, society, and the future” as an employee evaluation indicator to encourage individual employees to approach one’s duties with an awareness of the need to solve social issues. In addition, we conducted in-house training on human rights due diligence in 2023 to promote a deeper understanding of human rights and held explanatory meetings at each of our bases in Japan and overseas. Training on sustainability and material issues is also conducted annually for new employees, including mid-career hires, to make them aware of the importance of these issues.







Sustainability Management Promotion Structure



Process of Identifying Key Sustainability Issues (Materiality)



List of Key Sustainability Issues (Materiality) Quantitative KPIs

Materiality		Quantitative KPIs		Results and targets		Main relevant sales divisions	Main relevant 7 priority domains	Main applicable SDGs	
	Strive for the elimination of traffic casualties and contribute to the creation of a safe and comfortable mobility society	Revenue from products and services that promote zero traffic casualties*1 *1 Reduction of accidents through vehicle maintenance status kaizen (continuous improvement), supply of collision prevention warning devices, onboard cameras, and electronic components for autonomous driving, and other initiatives		2024/3 result 251.0billion yen	2025/3 target 251.0billion yen	2027/3 target 320.0billion yen	<div><div>● Supply Chain Division</div><div>● Mobility Division</div><div>● Digital Solutions Division</div><div>● Africa Division</div></div>	<div>Next Mobility</div> <div>Africa</div> <div>Batteries</div>	<div><div>3 GOOD HEALTH AND WELL-BEING</div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div></div>
	Contribute to the transition to a decarbonized society by reducing CO2 emissions from automobiles and factories/plants through the use of clean energy and innovative technologies	Expansion of the renewable energy*2 business *2 Renewable energy includes wind power (including offshore wind power), solar power, geothermal power, hydroelectric power, and wood biomass power Proportion of renewable energy in Toyota Tsusho's total electric power generating capacity Electric power generation capacity of renewable energy businesses Toyota Tsusho's total electric power generation capacity Revenue from products and services that contribute to energy saving and CO2 emissions reduction Lithium production volume Toyota Tsusho Group's global market share of electrified vehicles*3 *3 EVs: HEVs, PHEVs, BEVs, FCEVs Toyota Tsusho's GHG emissions*4: Carbon neutrality by 2050 *4 Scope 1 and Scope 2		2024/3 result 76%	2025/3 target 78%	2027/3 target 82%	● All sales divisions	<div>Renewable Energy & Energy Management</div> <div>Batteries</div> <div>Hydrogen & Alternative Fuels</div>	<div><div>7 AFFORDABLE AND CLEAN ENERGY</div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>13 CLIMATE ACTION</div></div>
2024/3 result 4.7GW		2025/3 target 5.0GW	2027/3 target 6.8GW						
2024/3 result 3.2GW		2025/3 target 3.3GW	2027/3 target 4.2GW						
2024/3 result 398.0billion yen		2025/3 target 475.0billion yen	2027/3 target 587.0billion yen						
2024/3 result 17,000t		2025/3 target 30,000t	2027/3 target 40,000t						
2023 result 12%		2024 target 15%	2027 target 29%						
2023 result 736,000 t-CO2		2030 target 50%reduction	2050 target Carbon neutrality						
	Contribute to the development of a recycling-based society by transforming waste into resources for manufacturing	Volumes handled by the resource recycling business*5 in the metals sector *5 Green metal business / molten aluminum business (using recycled ingots) / End-of-life vehicle (ELV) recovery business, and valuable metal scrap recycling business PLANIC Co., Ltd. *6 Converted as raw material for vehicle underbody shields Plastic recycling volume Toyotsu PET Recycling Systems Co., Ltd.		2024/3 result 6.8 million t	2025/3 target 7.6 million t	2027/3 target 9.0 million t	● Circular Economy Division ● Lifestyle Division	<div>Circular Economy</div> <div>Batteries</div> <div>Economy of Life</div>	<div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>14 LIFE BELOW WATER</div></div>
2024/3 result Equivalent to 140,000vehicles*		2025/3 target Equivalent to 320,000vehicles	2027/3 target Equivalent to 740,000vehicles						
2024/3 result Equivalent to 1.4 billion PET bottles		2025/3 target Equivalent to 1.8 billion PET bottles	2027/3 target Equivalent to 2.0 billion PET bottles						
	Grow with developing countries, including those in Africa, and endeavor to solve social issues through business operations	Number of electrified vehicles sold in Africa Revenue (sales) from pharmaceuticals in Africa Total renewable power generation capacity in Africa Number of employees in Africa		2023 result 12,000vehicles	2024 target 23,000vehicles	2027 target 61,000vehicles	● Mobility Division ● Lifestyle Division ● Africa Division	<div>Next Mobility</div> <div>Renewable Energy & Energy Management</div> <div>Africa</div> <div>Circular Economy</div> <div>Economy of Life</div>	<div><div>1 NO POVERTY</div><div>3 GOOD HEALTH AND WELL-BEING</div><div>4 QUALITY EDUCATION</div><div>7 AFFORDABLE AND CLEAN ENERGY</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div></div>
2024/3 result 260.0billion yen		2025/3 target 322.0billion yen	2027/3 target 349.0billion yen						
2024/3 result 263MW		2025/3 target 263MW	2027/3 target 1,053MW						
2024/3 result 21,350		—	—						
	Begin everything we do with ensuring safety and compliance to continue being an organization trusted by society	Lost-time accident rate*7, *8: Targeting zero accidents *7 The number of fatalities and injuries resulting from industrial accidents per million hours of actual work *8 Scope: Main domestic and overseas affiliated companies		2024/3 result 0.55	—	—	● All sales divisions	—	<div><div>3 GOOD HEALTH AND WELL-BEING</div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div>
	Respect human rights, and actively develop people who will contribute to society by nurturing them and giving them opportunities to apply their skills	—		—	—	—	● All sales divisions	—	<div><div>4 QUALITY EDUCATION</div><div>5 GENDER EQUALITY</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>10 REDUCED INEQUALITIES</div></div>

Initiatives for Addressing Key Sustainability Issues (Materiality)

Strive for the elimination of traffic casualties and contribute to the creation of a safe and comfortable mobility society

The automotive industry has entered a once-in-a-century period of profound transformation. The birth and evolution of advanced technologies, such as autonomous driving, artificial intelligence (AI), and the Internet of Things (IoT), are poised to greatly expand the potential of mobility. Toyota Tsusho sees these changes as business opportunities and will aim to reduce the number of road accidents and achieve zero traffic casualties to contribute to the development of a safe and comfortable mobility society by utilizing material innovation and autonomous driving and advanced safe driving support technologies and engaging in such initiatives as improving the traffic infrastructure.



Main relevant sales divisions

Supply Chain Division/ Mobility Division/
Digital Solutions Division/Africa Division

Main relevant of 7 priority domains

Next Mobility

Africa

Batteries

Main applicable SDGs



Contribute to the transition to a decarbonized society by reducing CO2 emissions from automobiles and factories/plants through the use of clean energy and innovative technologies

Climate change is a major issue that affects all life on Earth. To tackle this issue, Toyota Tsusho is actively increasing sales of next-generation eco-cars (HEVs*1, PHEVs*1, BEVs*1, FCEVs*1, etc.), developing infrastructure such as hydrogen stations, reducing vehicle weight by using alternative materials, and securing lithium resources that support increased production of the automotive batteries essential for eco-cars. Our initiatives include reducing automobile CO2 emissions and CO2 emissions throughout product life cycles, including in the logistics business, and eliminating CO2 emissions from factories/plants. Further, we will contribute to the realization of a decarbonized society with renewable energy, leveraging the largest wind power generation company in Japan, Eurus Energy Holdings Corporation, and one of the largest solar power generation companies in Japan, Terras Energy Corporation.



*1 HEVs (hybrid EVs), PHEVs (plug-in hybrid EVs), BEVs (battery EVs), FCEVs (fuel-cell EVs)

Main relevant sales divisions

All sales divisions

Main relevant of 7 priority domains

Renewable Energy & Energy Management

Batteries

Hydrogen & Alternative Fuels

Main applicable SDGs



Materiality KPIs

Quantitative KPIs	Revenue from products and services* that promote zero traffic casualties	2024/3 result	2025/3 target	2027/3 target
		251.0 billion yen	251.0 billion yen	320.0 billion yen
Qualitative KPIs	* Reduction of accidents through vehicle maintenance status <i>kaizen</i> (continuous improvement), supply of collision prevention warning devices, onboard cameras, and electronic components for autonomous driving, and other initiatives	Path to achieving the 2027/3 target		
	Promotion of measures for the elimination of traffic casualties	• Expanded handling of cutting-edge semiconductors, electronic components, etc., for the elimination of traffic casualties		
	Promotion of safe and comfortable mobility services	• Establishment of the Smart Mobility Infrastructure Collaborative Innovation Partnership to promote technological development and other initiatives aimed at achieving zero traffic casualties • Operation of driving schools in India and Thailand, and provision of auto mechanic training in Uganda to support refugee self-reliance • Establishment of Sora-iina Corporation, a drone logistics company, to provide mobility services in areas in which land infrastructure is underdeveloped • Establishment of Toyota Connected Africa to contribute to the realization of a safe and comfortable mobility society through vehicle data		

Materiality KPIs

Quantitative KPIs

Initiatives for Addressing Key Sustainability Issues (Materiality)

Materiality KPIs

Quantitative KPIs

Revenue from products and services that contribute to energy saving and CO₂ emissions reduction

2024/3 result

398.0 billion yen

2025/3 target

475.0 billion yen

2027/3 target

587.0 billion yen

Path to achieving the 2027/3 target

- Provision of energy-saving solutions and expansion of product lineups that reduce impact on the environment

Lithium production volume

* The KPIs were reviewed at the Sustainability Committee held in December 2023.

2024/3 result

17,000 t

2025/3 target

30,000 t

2027/3 target

40,000 t

Path to achieving the target for 2027

- Production expansion to ensure a stable supply of lithium, which is key to the popularization of electrified vehicles

Toyota Tsusho Group's global market share of EVs*

* EVs: HEVs, PHEVs, BEVs, FCEVs

2023 result

12%

2024 target

15%

2027 target

29%

Path to achieving the target for 2027

- Sales increase of electrified vehicles in markets covered

Toyota Tsusho's greenhouse gas emissions*: Carbon neutrality by 2050

* Scope 1 and Scope 2

2019 result (benchmark year)

800,000 t-CO₂

2023 result

736,000 t-CO₂

2030 target

50% reduction

2050 target

Carbon neutrality

For more information on the Toyota Tsusho Group's initiatives regarding carbon neutrality, see pages 95 to 110 ➡

Contribute to the development of a recycling-based society by transforming waste into resources for manufacturing

Natural resources are not limitless. We must reduce our impact on the environment by efficiently using and reusing these resources. As a trading company involved in manufacturing, Toyota Tsusho considers it a vital mission to consider the environment and secure and stably provide resources. To effectively use these limited resources, we will turn waste into resources. We will develop recycling businesses including recovery and processing of recyclable resources from scrap generated from end-of-life vehicles (ELVs), in the market, and at factories/plants, secure resources through urban mining, reuse used vehicles and parts, and recycle plastics, thereby contributing to a recycling-based society.



Main relevant sales divisions
Circular Economy Division/Lifestyle Division

Main relevant of 7 priority domains
Circular Economy
Economy of Life
Batteries

Main applicable SDGs
11 Sustainable Cities and Communities
12 Responsible Consumption and Production
14 Life Below Water

Materiality KPIs

Quantitative KPIs	Volumes handled by the resource recycling business* in the metals sector	2024/3 result	2025/3 target	2027/3 target
	<small>* Green metal business/molten aluminum business (using recycled ingots)/ELV recovery business and valuable metal scrap recycling business</small>	6.8 million t	7.6 million t	9.0 million t
	Path to achieving the 2027/3 target	• Growth of scrap collection, recovery, and processing business and ELV recovery business due to increasing demand for recycled materials		
	Plastic recycling volume	2024/3 result	2025/3 target	2027/3 target
		PLANIC Co., Ltd. Equivalent to 140,000 vehicles*	320,000 vehicles	740,000 vehicles
Qualitative KPIs	Promotion of measures for the development of a recycling-based society	Toyotsu PET Recycling Systems Co., Ltd. Equivalent to 1.4 billion bottles	1.8 billion bottles	2.0 billion bottles
	Path to achieving the 2027/3 target	• Business growth in line with increased raw material procurement		
		• Establishment of a recycling scheme for car batteries		
		• Recycling of aluminum (recycling scrap as raw material and establishment of Toyotsu Sorting Technology Corporation, which has sorting and processing technology, to expand horizontal recycling of aluminum sashes)		
		• Participation in the waste fishing net recycling business as part of the PATCHWORKS® project, which aims to achieve fiber-to-fiber recycling of all clothing.		

Topics Accelerating the Popularization and Expansion of Renewable Energy in the Solar Power Generation Business by Making Terras Energy a Wholly Owned Subsidiary



In April 2024, the Toyota Tsusho Group made Terras Energy Corporation (formerly SB Energy Corp.) a wholly owned subsidiary.* Together with the acquisition of Eurus Energy Holdings Corporation as a wholly owned subsidiary in August 2022, this has made our corporate group one of the largest power generation operators in Japan, not only in wind power generation but now also in solar power generation. With these initiatives at the core, we will further accelerate our efforts to expand the use of renewable energy and contribute to the creation of a better global environment.

* Toyota Tsusho acquired 85% of Terras Energy's shares from SoftBank Group in April 2023 and later acquired the remaining 15% in April 2024.

Initiatives of Terras Energy

Terras Energy operates solar and wind power generation businesses, an energy storage systems business, and an energy management business. Leveraging its strengths in knowledge and experience in operating renewable energy power plants, the company, such as by handling grid-connected storage batteries from development to operation and engaging in renewable energy aggregation and storage control, aims to expand its business and meet the diverse energy-related needs of its customers to promote the use of renewable energy.

The total power generation capacity of Terras Energy's solar, wind, and biomass power plants, which are located at 50 sites across Japan from Hokkaido to Kyushu and Okinawa, is approximately 773 MW (as of January 2023), which is equivalent to the annual electricity consumption of approximately 334,000 households.



Ibaraki Itako Futtaka Solar Park, which began operating in January 2021

Initiatives for Addressing Key Sustainability Issues (Materiality)

Grow with developing countries, including those in Africa, and endeavor to solve social issues through business operations

Toyota Tsusho undertakes local infrastructure development, industrial development, job creation, and other measures to solve social issues in developing countries in Africa and other regions through its automotive business and other business activities. In Kenya, for example, we have been working as a strategic business partner of the country to support the realization of its national vision. Using this experience as a pilot model, we will promote the autonomy of the people who live there by developing basic infrastructure to improve living environments and providing opportunities for occupational training, while achieving the growth of Toyota Tsusho.



Main relevant sales divisions

Mobility Division/Lifestyle Division/Africa Division

Main relevant of 7 priority domains



Main applicable SDGs



Begin everything we do with ensuring safety and compliance to continue being an organization trusted by society

All corporate activities are supported by social trust and sustained by social confidence. Toyota Tsusho does its utmost to ensure safety at related companies and the safety of all workers. We are constantly engaged in activities that earn society's trust and confidence, such as conducting safety education activities at plants and offices using our Practical Safety Workshop and ensuring high levels of quality that guarantee safety and security. In our day-to-day operations, we define specific codes of conduct for all sites and offices, both in Japan and overseas, and strictly comply with laws and regulations such as those concerned with preventing corruption or anticompetitive behavior. We are improving our management transparency and enhancing our corporate governance.



Main relevant sales divisions

All sales divisions

Main applicable SDGs



For more information on our safety and compliance, see pages 122 to 124 ➡
For the Global Code of Conduct & Ethics (COCE), see page 123 ➡

Materiality KPIs

Quantitative KPIs	Electrified vehicle sales in Africa * The KPIs were reviewed at the Sustainability Committee held in December 2023.	2023 result		2024 target		2027 target	
		12,000 vehicles		23,000 vehicles		61,000 vehicles	
		Path to achieving the 2027 target					
		• Increase in electrified vehicle sales, mainly in South Africa					
Quantitative KPIs	Revenue (sales) from pharmaceuticals in Africa * The KPIs were reviewed at the Sustainability Committee held in December 2023.	2024/3 result		2025/3 target		2027/3 target	
		260.0 billion yen		322.0 billion yen		349.0 billion yen	
		Path to achieving the 2027/3 target					
		• Expand market share by strengthening pharmaceutical distribution business					
Quantitative KPIs	Total renewable power generation capacity in Africa * The KPIs were reviewed at the Sustainability Committee held in December 2023.	2024/3 result		2025/3 target		2027/3 target	
		263 MW		263 MW		1,053 MW	
		Path to achieving the 2027/3 target					
		• Scheduled launch of solar power generation businesses in Kenya and Tunisia and wind power generation business in Egypt					
Quantitative KPIs	Number of employees in Africa * The KPIs were reviewed at the Sustainability Committee held in December 2023.	2023/3 result		2024/3 result			
		21,000		21,350			
		Analysis of changes					
		• Expansion of employment in the mobility and healthcare sectors in South Africa in line with business expansion					
Qualitative KPIs	New investment in developing countries including countries in Africa	• Signing of a comprehensive memorandum of understanding with the Kenyan government to achieve carbon neutrality; commitment to cooperation in the construction of a green energy value chain, industrial development, and human resource development					
		• Establishment of a vehicle assembly plant in Cambodia and commencement of SKD* production; contribution to the development of the country's economy and society and to human resource development through the promotion of the mobility industry					
		• Decision to build a second Japanese-style general hospital in Bengaluru to improve India's medical infrastructure (scheduled to open in 2027)					
		• Establishment of Aeolus. Aim to develop renewable energy power sources suited to the conditions of each African country and to expand the amount of renewable energy introduced					
		* SKD: Abbreviation for semi-knocked-down. A vehicle assembly method in which the body is imported already welded and painted, and the main components are then assembled into the body and chassis.					

Materiality KPIs

Quantitative KPIs	Lost-time accident rate*1, *2: Targeting zero accidents	2023/3 result	2024/3 result
	*1 The number of fatalities and injuries resulting from industrial accidents per million hours of actual work *2 Scope: Main domestic and overseas affiliated companies	0.70	0.55
		Analysis of changes and actions taken	
		Although there was a decrease compared to the fiscal year ending March 31, 2023, the ratio of accidents caused by inexperienced workers and accidents due to falls increased. The following countermeasures were thoroughly implemented: • Continuation of follow-through activities, foreman training, and follow-up activities • Continued education on 18 ironclad rules to prevent STOP6 incidents, which can lead to serious accidents • Establishment of the 12 Insights for Preventing Falls and implementation of activities on a global scale	
Qualitative KPIs	Occupational safety	• Strengthening the quality of safety assurance and further improving systems Results of Initiatives - Global implementation of fire and explosion prevention activities to maintain supply chains - Company-wide implementation of e-learning and VR-based Office Safety Workshops to learn about office risks - Construction safety supervision and factory inspections by management teams practicing an on-site, hands-on approach	
	Compliance	• Promoting global compliance program Results of Initiatives - Designation of October as compliance month each year, accompanied by messages from management and various training sessions and seminars to raise awareness - Comprehensive compliance inspections at Toyota Tsusho and domestic and overseas consolidated subsidiaries	
	Internal control	• Strengthening the functions of the Board of Directors meeting Results of Initiatives - Dialogue sessions between overseas regions (North America, East Asia, and Asia & Oceania) and outside directors to strengthen the supervisory function	
	Information security	• Strengthening the emergency response capabilities of the entire corporate group to deal flexibly with increasingly severe cyber attacks Results of Initiatives - Continuous strengthening measures to prevent cyberattacks and conducting initial response drills based on a hypothetical cyber attack	

Initiatives for Addressing Key Sustainability Issues (Materiality)

Respect human rights and actively develop people who will contribute to society by nurturing them and giving them opportunities to apply their skills

Toyota Tsusho promotes diversity, equity, and inclusion (DE&I) as a management strategy. We are striving to create work environments that bring out the strengths of diverse personnel by undertaking reforms to implement more flexible and productive ways of working. Also, we are working to develop human resources who can create business from a global perspective and who can achieve success in the global market, and are providing occupational training opportunities to local communities and actively developing human resources within and outside the company who are valuable to and contribute to society. Starting with our company, we are taking measures to eliminate child labor and forced labor from our entire supply chain, thereby improving the labor environment from various perspectives as a company that values and protects people.



Main relevant sales divisions
All sales divisions



For more information on our human capital strategy, see pages 69 to 76 ➡

Materiality KPIs

Qualitative KPIs	Human capital development	<ul style="list-style-type: none"> Developing aspiring human capital who can take the initiative in management and engage in joint creation with others Results of Initiatives <ul style="list-style-type: none"> Implementation of selective training for employees of Toyota Tsusho Group companies around the world to develop global management human capital Holding of CEO Essentials Program (CEP), a training program to nurture the next generation of managers and leaders at corporate group companies
	Right people in the right places and right places for the right people	<ul style="list-style-type: none"> Strengthening of management foundation through proactive efforts to put the right people in the right places and find the right places for the right people Results of Initiatives <ul style="list-style-type: none"> Visualization from among all corporate group employees of human assets (successor candidates) who can play expected roles in major posts in Japan and overseas Formulation of individual development plans for all successor candidates and discussion of plans at the Global Human Resources Committee (a group-wide meeting body)
	DE&I	<ul style="list-style-type: none"> Active participation by diverse human capital Promoting work style reform and supporting work-life balance Fostering a corporate culture that leverages diversity and changing individual awareness Results of Initiatives <ul style="list-style-type: none"> Provision of a work-from-home system to encourage independent self-management and improvement of the office environment to promote communication and increase job satisfaction Promotion of measures to support women's participation, such as individual development plans and mentoring programs to support the realization of career paths tailored to individual characteristics as one way of responding to the increasingly diverse and complex business environment and customer needs Operation of a childcare leave system that incorporates the idea of "learning through childcare" * as a measure to foster respect for others and a positive corporate culture

* The idea that child-rearing can be an opportunity for growth, both in terms of new insights (values and sense of purpose) and the acquisition of skills (empathy and active listening)

Materiality KPIs

Qualitative KPIs	Well-being management	<ul style="list-style-type: none"> Maximizing organizational vitality through the maintenance and promotion of the physical and mental health of each employee and the creation of a positive workplace environment Results of Initiatives <ul style="list-style-type: none"> Selection as a Health & Productivity Stock Selection for four consecutive years and White 500 certification Enhancement of health literacy among employees for independent health maintenance and improvement; signs of improvement in the presenteeism loss rate, which is an indicator of work performance Decrease in the percentage of employees with issues requiring lifestyle improvement
	Respect for human rights	<ul style="list-style-type: none"> Understanding human rights issues in the countries and regions in which we do business and taking appropriate measures to solve them Results of Initiatives <ul style="list-style-type: none"> Conducting of risk assessments of the supply chains of Toyota Tsusho and its consolidated subsidiaries; identification of approximately 250 suppliers in high-risk fields and regions and conducting of questionnaire surveys
	Social contribution activities	<ul style="list-style-type: none"> Participating in social contribution programs for community-based activities and growth Results of Initiatives <ul style="list-style-type: none"> Establishment of a volunteer leave system to encourage all employees to participate in social contribution activities

Topics

For the Further Dissemination and Improvement of the Effectiveness of Human Rights Due Diligence

We assess the human rights risks that our corporate activities may pose to society, based on the Toyota Tsusho Group Human Rights Policy and the Supply Chain Sustainability Behavioral Guidelines. Having identified high-risk fields, we conduct human rights due diligence to mitigate these risks, including by conducting questionnaires, on-site inspections, and other measures. We are promoting initiatives to respect human rights by conducting human rights due diligence in two separate areas: initiatives for the employees of Toyota Tsusho and consolidated subsidiaries and initiatives for supply chains.

Human Rights Due Diligence Process



Human rights risk assessments are conducted once a year for all subsidiaries. The results are reported to the Integrated Risk Management Committee, a corporate group-wide meeting body that verifies the status of global risk management, and monitored company-wide.

WEB For the Toyota Tsusho Group Human Rights Policy, see the "Respect for Human Rights" section of our corporate website. <https://www.toyota-tsusho.com/english/sustainability/social/human-rights.html>

WEB For the Supply Chain Sustainability Behavioral Guidelines, see the "Supply Chain" section of our corporate website. <https://www.toyota-tsusho.com/english/sustainability/social/supply-chain.html>

For more information on our initiatives regarding the supply chain and respect for human rights, see page 117 to 118 ➡