

06

Sustainability Strategy

- p. 41 | CSO's Message
- p. 43 | Promoting Sustainability Management
- p. 44 | Quantitative KPIs for Material Issues

Enhance corporate value to a higher dimension



CSO's Message

Polishing Our Sustainability as Part of Our Unique Competitiveness Through Our Main Business Operations

Shigeo Obata
Chief Strategy Officer (CSO)

Sustainability as Part of Our Unique Competitiveness

Based on the values the Toyota Tsusho Group has developed through the years as a uniquely competitive general trading company, we have taken on the challenges of domains that other companies have shied away from and built our own unique value. At the base of that is Toyota Tsusho DNA: "Humanity," "Gembality," and "Beyond." Of those, Gembality is where our roots lie. It is a unique value that consists of identifying the issues faced in the field and taking them head-on.

Led by these values, **we don't see sustainability as a limitation but as a business opportunity, and we implement sustainability efforts through our core business.** Our resource recycling and renewable energy initiatives contribute to the creation of a worldview in which there's no need to dig up the earth, and they are a source of our competitive advantage.



Visiting a Green Metals
Hokkaido, Inc. plant

Business that Turns Solutions to Global Issues into Economic Value

Our Group has positioned sustainability as management itself. Through our business, we aim to develop solutions to global issues while enhancing corporate value.

In Africa and the rest of the Gondwana economic zone, we apply our Gembality to take on global issues as we create new business. In the circular economy field, resource recycling itself provides business value, and the growth of business links directly to increased environmental value. In renewable energy and healthcare, as well, we are responsible for functions that are vital to society as we realize sustained growth. We will further extend ourselves in our fields of specialization and, at the same time, combine our strengths with those of outside partners **to convert solutions to global issues into economic value through business creation and growth.**



Visiting a wind power generation site in Egypt

CSO's Message

Connecting Strategy and Execution Through Material Issues

In our Medium-Term Management Plan for the fiscal years ending March 31, 2026, through March 31, 2028, sustainability management is one of our core strategies for enhancing corporate value. Through our business, we will solve global-scale issues as we leverage the unique competitiveness of our individual members and our organization, along the three axes of “net zero,” “nature positive,” and “coexistence with people and local communities.”

Our material issues indicate which issues we will take on and what kind of value we will create. We will review and revise them on an ongoing basis, reflecting changes in the business environment, and connect our management strategies with our actual execution.

Elevating Sustainability Management to a Higher Dimension

Our goal is to elevate sustainability Management to a higher dimension. We don't limit sustainability to just policies or disclosures, but think of it as something that is a part of our business and worksites, so we tie it tightly into our solving of issues and our enhancement of corporate value. Within our sustainability management, we carry out environmental initiatives that promote “net zero,” “nature positive,” and “coexistence with people and local communities,” which are highly significant in our solving of global issues through our business.

There is something that I mentioned at the start of my message that I want to particularly emphasize. **For Toyota Tsusho, environmental initiatives aren't charity.** They aren't something we do because we are required to. **They are, instead, a central part of our business. They are business opportunities for our Group's sustainable growth, of course, and also for our customers, for our suppliers, for creating a better Earth, and for creating a brighter future for the children of the future.** Our Group's brigade of 70,000 employees is working as one to expand these opportunities while engaging in dialogue with

customers, suppliers, and many stakeholders. These are business opportunities, but they are also risks that must be dealt with appropriately. We will control these risks and accurately identify opportunities, linking them to sustainable growth.

Continuously Polishing Sustainability as a Source of Corporate Value Enhancement

Through our internal and external communications and dialogue, we are working to provide a deeper understanding of our initiatives and foster greater trust. We reflect the insights we gain from our dialogue with stakeholders in our strategies, refining our initiatives. We will continue to polish sustainability as a source of corporate value enhancement and achieve the kind of growth that only the Toyota Tsusho Group can. As our CSO, **I will further integrate sustainability with our business, accurately identify innovation that begins in the field, and realize our growth strategies.**



Visiting a metal scrap business site in South Africa

1 Initiatives for Expanding Access to Healthcare in Africa

CFAO S.A., which does business in Africa, is working to expand access to reliable healthcare across Africa as part of its efforts to solve global issues and generate profits.

For the people of Ndelele, Cameroon, healthcare is not easy to access. CFAO uses a mobile clinic to provide diagnosis and free medicine, continuously supplying healthcare that is closely aligned with the conditions of individual people. It will continue to offer support to over 800 people, including indigenous people and internal refugees, and help reduce healthcare access inequality.



Provision of medical care by a mobile clinic

2 Together with Suppliers

To achieve sustainable growth for our entire supply chain, the Group performs supply chain human rights due diligence. Suppliers who cooperate in on-site studies have shared that these confirmations of field conditions with respect to laws and regulations have been informative and beneficial, clarifying improvements needed to raise the level of safety at worksites. We will continue to strengthen our coordination with suppliers and build a stronger supply chain.



On-site study being performed at a supplier site

For more information, see “Business and Human Rights” on page 87 ➔

Promoting Sustainability Management

Promotion Structure

Toyota Tsusho has established a Sustainability Committee to boldly advance the sustainability initiatives carried out by sales divisions and regions, making them into company-wide activities. Under the supervision of the CSO, the Sustainability Committee discusses sustainability-related initiatives and then reports on them in Board of Directors meetings. Furthermore, relevant meeting bodies discuss specific themes related to sustainability, sales divisions, and overseas regions. The Administrative Unit promotes initiatives on matters discussed and decided by the Sustainability Committee, to create an effective company-wide sustainability promotion structure.

Promotion Structure Chart



Seven new material issues centered on our mission

We have newly defined seven materialities—important issues that we must tackle in order to sustainably grow alongside our planet and society. These materialities indicate the areas in which we must take action through our business, centered on our mission of “passing on a better Earth to the children of the future.” Led by these materialities, we will contribute to the solving of global issues and strive to create a sustainable future.



Quantitative KPIs for Material Issues

This page reports on the results and target values based on the previous six material issues. KPIs and other indicators based on the new material issues will be set and disclosed in due course.

Material issues for both solving social issues and achieving corporate growth

Material issues	Risks and opportunities	Quantitative KPIs	Results and targets		
 Strive for the elimination of traffic casualties and contribute to the creation of a safe and comfortable mobility society Main applicable SDGs 	Risks ● Obsolescence of existing businesses due to the electrification of automobiles ● Obsolescence of existing businesses due to accelerated technological innovation ● Restrictions on the sale of gasoline-powered vehicles due to stricter environmental regulations Opportunities ● Increased demand for new materials, raw materials, and resources associated with the electrification of automobiles ● Creation of new businesses in response to changes in mobility ● Increase in sales of next-generation eco-friendly vehicles and the creation of related businesses	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	2026/3 result	2027/3 target	2028/3 target
			356.0 billion yen	461.0 billion yen	515.0 billion yen
 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 Main applicable SDGs 	Risks ● Intensifying competition due to an increase in renewable energy companies Opportunities ● Rising demand for renewable energy in developing countries	Expand renewable energy*2 business Proportion of renewable energy in Toyota Tsusho's total electric power generating capacity Electric power generation capacity of renewable energy businesses (including under construction) Toyota Tsusho's total electric power generation capacity (including under construction) *2 Renewable energy includes wind power (including offshore wind power), solar power, geothermal power, hydroelectric power, and wood biomass power	2026/3 result	2027/3 target	2028/3 target
			100%	100%	100%
			2026/3 result	2027/3 target	2028/3 target
			6.3GW	7.2GW	8.0GW
			2026/3 result	2027/3 target	2028/3 target
			4.1GW	4.5GW	5.0GW
		Renewable energy volume	2026/3 result	2027/3 target	2028/3 target
			8.5 billion kWh	9.5 billion kWh	10.0 billion kWh
		Lithium production volume	2026/3 result	2027/3 target	2028/3 target
			32,000t	33,000t	41,000t
		Toyota Tsusho Group's global market share of electrified vehicles*3	2025 result	2026 target	2028 target
			16%	17%	34%
			2026/3 result	2030 target	2050 target
		Scope 1, 2	753,000 t-CO₂	50% reduction (Compared to 2019 results)	Net Zero
		GHG emissions reductions	2026/3 result	2030 target	2050 target
		Scope 3	113 million t-CO₂	27.5% reduction (Compared to 2019 results)	Net Zero
		Avoided emissions	2025 result	2030 target	2050 target
			60 million t	80 million t	150 million t

Quantitative KPIs for Material Issues

Material issues	Risks and opportunities	Quantitative KPIs	Results and targets		
 Contribute to the development of a recycling-based society by transforming waste into resources for manufacturing Main applicable SDGs   	Risks - Compliance with new regulations regarding waste and intensifying competition for the procurement of recycled raw materials due to increasing demand for recycled products Opportunities - Expansion of the recycling-related markets for metals, plastics, textiles, etc. and the creation of new business opportunities associated with such	Volumes handled by the resource recycling business*1 in the metals sector *1 Ferrous and non-ferrous metal recycling business Plastic recycling volume K.K. PLANIC (equivalent number of vehicles) *2 Converted as raw material for vehicle underbody covers Toyota PET Recycling Systems Co., Ltd. (number of PET bottles)	2026/3 result 11,900,000 t	2027/3 target 12,400,000 t	2028/3 target 14,370,000 t
 Grow with developing countries, including those in Africa, and endeavor to solve social issues through business operations Main applicable SDGs      	Risks - Instability in politics and the economy and the accompanying volatility of currencies, etc. - Regional differences in business practices and work culture - Spread of infectious diseases and poor sanitation Opportunities - Revitalization of automotive-related businesses and consumer-oriented business markets due to expanding consumption - Creation of energy, plant and infrastructure development-related businesses in response to industrial development - Creation of expansion of our business through the improvement of living environments and the creation of employment opportunities in developing countries	Electrified vehicle sales in Africa Sales (revenue) from pharmaceuticals in Africa Renewable energy business in Africa Total power generation capacity of renewable energy business in Africa (including under construction) Toyota Tsusho's total electric power generation capacity (including under construction) Renewable energy volume (including projects under construction) Number of employees in Africa	2025 result 26,000 vehicles	2026 target 27,000 vehicles	2028 target 98,000 vehicles
			2026/3 result 390.0 billion yen	2027/3 target 420.0 billion yen	2028/3 target 460.0 billion yen
			2026/3 result 1,013MW	2027/3 target 2,231MW	2028/3 target 2,381MW
			2026/3 result 414MW	2027/3 target 934MW	2028/3 target 999MW
			2026/3 result 1.4 billion kWh	2027/3 target 1.5 billion kWh	2028/3 target 2.0 billion kWh
			2026/3 result 21,400	No targets for number of employees, but continued efforts to create local employment	

Material issues that will become foundations for company growth

Material issues	Quantitative KPIs	Results and targets		
 Begin everything we do with ensuring safety and compliance to continue being an organization trusted by society Main applicable SDGs  	Lost-time accident rate*3, *4: Targeting zero accidents *3 The number of fatalities and injuries resulting from industrial accidents per million hours of actual work *4 Scope: Main domestic and overseas affiliated companies	2026/3 result 0.38	2027/3 target Zero	2028/3 target Zero
 Respect human rights and actively develop people who will contribute to society by nurturing them and giving them opportunities to apply their skills Main applicable SDGs    	Positive response rate in engagement surveys Employee engagement Environment that brings out the potential in employees Scope: Toyota Tsusho (non-consolidated) Percentage of management personnel who are women Scope: Toyota Tsusho (non-consolidated)	2026/3 result 72%	2027/3 target Maintain or increase	2028/3 target Maintain or increase
		2026/3 result 70%	2027/3 target Maintain or increase	2028/3 target Maintain or increase
		2026/3 result 9.5%	2031/3 target Over 20%	—

