

Human Capital Report 2022

Fiscal year ended March 31, 2022

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I. Message from CHRO – Human Capital Management at Toyota Tsusho

I. Message from CHRO – Human Capital Management at Toyota Tsusho

Principles About Our People

The Toyota Tsusho Group has been challenging to solve social issues through our business activities under our fundamental 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.” Furthermore, we have set our Global Vision to “Be the Right ONE”: to become an irreplaceable and one-and-only presence for our partners and stakeholders. We have been striving to achieve this goal for our global customers, clients, partners, shareholders, and local communities, as well as society in the future.

In order to clarify the social issues that we need to focus on as the basis of our management strategies, we have identified the Key Sustainability Issues (Materialities) that we need to be aware of as we pursue the realization of our corporate philosophy and Global Vision. One of the six Key Sustainability Issues is “Respect human rights, and actively develop people who will contribute to society by nurturing them and giving them opportunities to apply their skills.” We have therefore been working to develop human capital who can create business with a global perspective and who can achieve success in the global market. We have also been providing occupational training opportunities within local communities to actively develop people who are valuable to and contribute to society, not only within but also outside the company.

We also highlight the importance of Diversity, Equity and Inclusion (DE&I). We are tackling a shift of work style to one that is flexible and productive, with the aim of realizing a work environment that enables our Group to make the most of diverse skills of diverse people.

We hire, develop, and treat well human resources who lead the Group’s evolution toward a better future by aiming to realize our management strategy and working synergistically with others from a comprehensive perspective, based on the Genchi (on-site), Genbutsu (hands-on), and Genjitsu (in-touch) standpoint, without being constrained by previous results or stereotypes.

We also view each employee as “human capital,” so we believe it is essential to have an environment where human capital grows, a corporate culture that develops them, and a system that makes the most of their skills in order to sustainably increase their value and enrich their lives.

We promote an HR strategy as a shared understanding among the management team as we believe that our business strategy and HR strategy are two sides of the same coin, working together to pursue our corporate direction.

HR Strategy

Through our in-house Management Mission Statement, we communicate to our people that to “Be the Right ONE” requires each individual to become strong, and strong individuals to come together to evolve into a flexible and strong organization.

Strong individuals are human capitals who have been enhancing their appeal as competencies, their capacities, and their expertise as professionals.

Strong organizations are those that practice DE&I to maximize the power of individuals and their team.

In order to become a strong organization, we have set the following four priorities as the pillars of our HR strategy, and we are working continuously to create an environment where human capital grows, foster a corporate culture that develops them, and create a system that makes the most of their skills.

1. **Build a human capital portfolio** that aligns with the management strategy
2. **Organizational development** to create flexible and productive organizations
3. A scientific, **data-driven** approach that utilizes a wide variety of complex information and is free from preconceptions or stereotypes
4. **Respect for human rights and business continuity management (BCM) from human resources initiatives**, which is the foundation of sustainable business

“People Company Toyotsu”; this is the ideal that we aspire to. This Human Capital Report contains a series of initiatives to enhance the value of our human capital and our company. I hope it will help you to better understand the objectives of our human capital management.



Chief Human Resources Officer (CHRO)

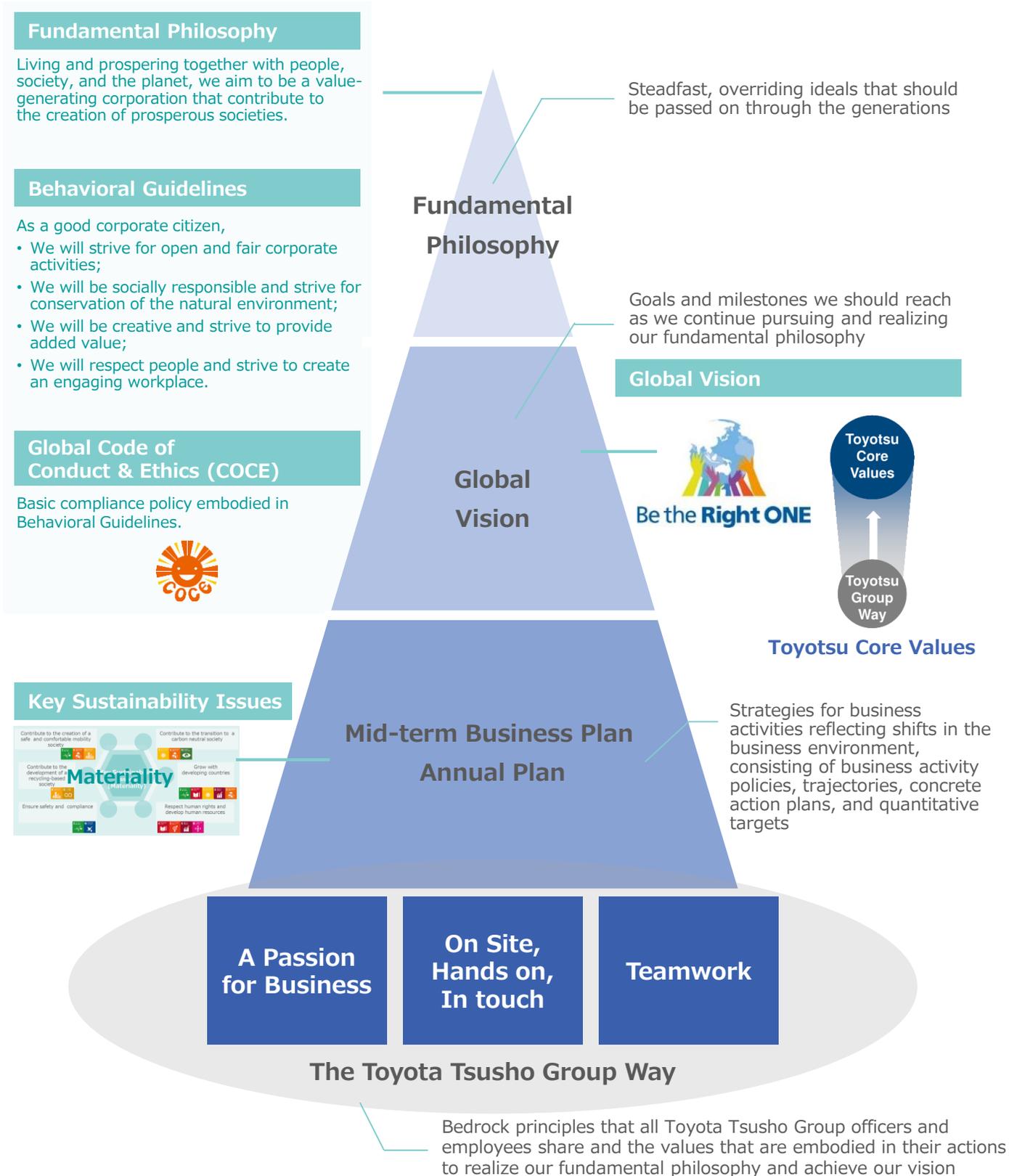
A handwritten signature in black ink, appearing to be the initials of the Chief Human Resources Officer.

II. Philosophy / Vision

II. Philosophy / Vision

Philosophy system

In order to create the reality that the world demands, we have positioned our fundamental philosophy at the highest level and have built a group philosophy system that incorporates this into global vision, mid-term business plan, annual plan, and the group way to ensure that all executives and employees understand it.



II. Philosophy / Vision

Global Vision

The Toyota Tsusho Group will continue to pursue and strive to achieve our ideal of "Be the Right ONE".



The Right ONE for you

In response to our stakeholders' needs (the genba), we will strive to provide optimal safety, service, quality, and reliability.

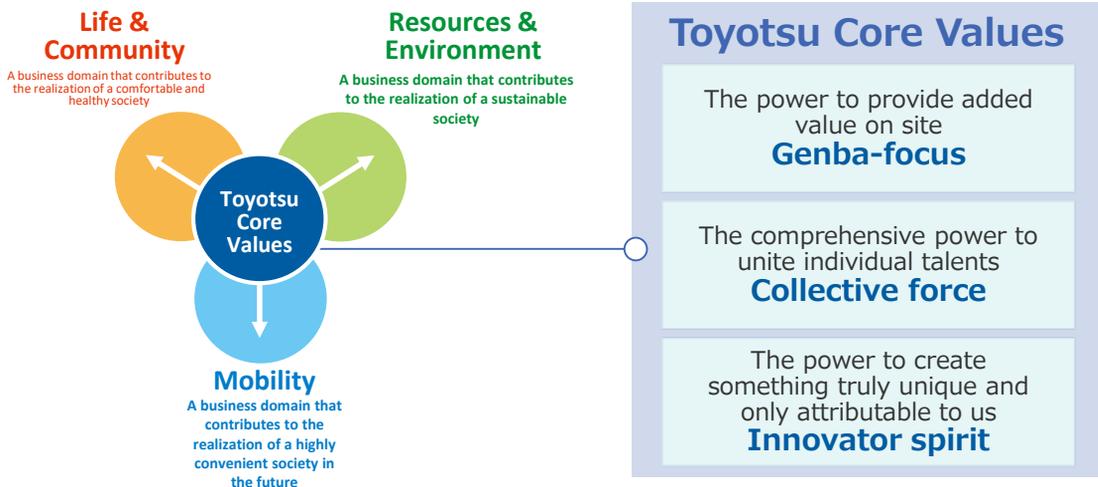
The Right ONE for us

Maximizing the capabilities of each individual, global networks, and diversity, we will unite to bring out the most in our comprehensive strengths.

The Right ONE for future

Applying our unique insights and capabilities, we strive to lead the way for a sustainable society and the future.

The **Toyotsu Core Values** are the manifestations of strengths we should optimize and apply for achieving our Global Vision, with the Toyotsu Group Way serving as a foundation. With the **Toyotsu Core Values**, we will focus our efforts on three core business domains.



We will focus on **Toyotsu Core Values** and further enhance these elements while displaying and utilizing them.

The Toyota Tsusho Group Way

Toyota Tsusho Group Way is the bedrock principle that all Toyota Tsusho Group officers and employees share and the value that are embodied in their actions to realize our fundamental philosophy and achieve our "Global Vision".

The spirit of indomitability A Passion for Business The spirit of enterprise

Tackle every job with the pluck, perseverance, and passion to get things done right

Exercise ambition and imagination in anticipating trends, hone your perceptiveness in steering customers to new possibilities, and foster new functions and lines of business

Inquiring into the true needs of our customers

On Site, Hands on, In touch

Putting PDCA into practice

Step out into the field (On Site), see things for your -self (Hands on), and grasp what is happening to render sound business judgments and to adapt your approach to real-world circumstances (In touch)

Look beyond the established wisdom in illuminating problems and in tackling improvements, reforms, and transformations as circumstances warrant

Individual Initiative

Teamwork

Cooperation

Set goals for yourself and work autonomously to achieve those goals Bring a sense of professionalism to your work and strive continuously to hone your capabilities

Nurture mutual trust with colleagues through dialogue, exchange, and sensitivity Pursue overall-optimum solutions by encouraging each individual to assume a sense of personal commitment for work, while retaining open-minded flexibility and to secure the participation of colleagues in tackling the work

II. Philosophy / Vision

Framework of Toyota Tsusho's Human Capital Report

We have been engaging in the six Key Sustainability Issues (Materiality) as a management strategy towards the realization of "Be the Right ONE." The solution to Materiality requires a strong organization comprising strong individuals who can cope with changes. Based on this recognition, our human resources strategy aims to develop strong individuals through "human capital development" and "health and productivity management," and to build strong organizations through "DE&I," "The Right People for the Right Jobs," and "respect for human rights." Enhanced engagement of our employees resulting from these initiatives will enable us to achieve "Be the Right ONE." This report explains purposes, policies, case examples, indicators, and results of the series of initiatives.



III. Initiatives for Human Capital Management

– Strong individual –

1. Human capital development
2. Health and productivity management

– Strong organization –

3. Diversity, Equity & Inclusion (DE&I)
4. The right people for the right job
5. Respect for human rights

1. Human capital development – Strong individual –

1. Human capital development

Purpose and Policy

Toyota Tsusho practices the Toyota Tsusho Group Way, which adopts as its keywords "Shokon" (a passion for business), "Genchi, Genbutsu, Genjitsu" (on site, hands on, in touch), and "Team Power" (teamwork). We conduct various educational and training programs and strive to enhance employee skills so that they can independently and actively think and take action.

We make use of diverse human resources who can respond flexibly to the company's changing business environment and look ahead to a better future, and we prioritize the development of human resources capable of creating global-scale business and able to interact with their counterparts at other leading global companies to continuously achieve active value creation with our global partners.

Our educational programs, which serve as development forums for strong individuals capable of independent thought, action, and continuous growth are made up of three parts: On-the-job training, off-the-job training (seminars and courses), and self-improvement.

Every year, each employee develops a future career plan and discusses with a supervisor how to achieve the plan through business assignments and the use of training programs for skill development. In recent years, the programs have been shifting to e-learning.

① OJT

On-the-job training (OJT) is actively and systematically incorporated into human resources development from the perspective that Genchi, Genbutsu, Genjitsu leads to individual growth. We are also actively engaged in human resource exchanges within and outside the group and between divisions, such as sending employees overseas as trainees or expatriates and seconding them to group companies from their early career to enrich work experiences.

② Off-JT

In various types of training, top management and officers deliver messages based on their expectations to participants and their own experiences to raise participants' awareness by helping them realize that training starts with addressing their own mindset. This is combined with post-training session follow-ups in the form of interviews and counseling to improve the effectiveness of those trainings.

② Self-improvement

To support employees in raising their skills and qualifications from the minimum necessary to professional expertise, we are expanding programs that subsidize online education and schools (for business and language) to encourage employee self-improvement.



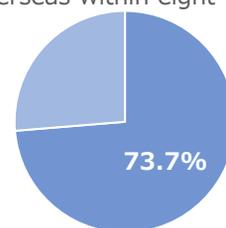
1. Human capital development

Theme	Examples of major initiatives and results
1. Career development	<ul style="list-style-type: none">• Self-sustained career program “Lead the SELF”<p>Program participants review their mid- to long-term career vision by themselves and consider how to realize the vision based on their wills and sense of value as well as to contribute to their organization amid changes in society and organizations.</p>• Support program for mid-long career employees “Career Development Workshop”<p>In light of the Group’s vision that every employee should become a professional, we support mid-long career employees in modifying their awareness and behaviors to enable them to picture their career goals and keep working actively and successfully. In addition to the workshop, we provide multifaceted opportunities to communicate with their supervisors, Global Human Resources Department.</p>
2. Training	<p>We offer leadership program to successor candidates for global key management positions. Our program consists of the three axes of "global," "business professional," and "Toyota Tsusho Group Way leadership." We have created rank-based training systems to ensure that employees can develop these competencies in stages over their careers.</p> <ul style="list-style-type: none">✓ Global<p>Cross-cultural communication and cross-cultural management training</p>✓ Business Professional Skills<p>Lectures on practical knowledge, open-type business skill training, and e-learning</p>✓ Way/Leadership<p>Designing of training based on the Toyota Tsusho Group Way and its integration of liberal arts into each training</p>• Global selection and training<ul style="list-style-type: none">✓ GALP (Global Advanced Leadership Program)<p>In coordination with leading global business schools, and with management officers being mobilized to attend, selected employees are attending the Global Advanced Leadership Program (GALP) as our top global six-month management training program to "learn about the world, the Company and oneself." As action learning, we hear individual ambitions and offer advice on next-generation management strategies as a group to train employees to become global leaders who have high ambitions and can work actively amongst diverse cultures.</p><p>We are also newly implementing "alumni activities" for former GALP students to establish an information-sharing opportunity based on innovation while also making every effort to ensure continuous global network building.</p>✓ LDP (Leadership Development Program)<p>One step below GALP is the "Leadership Development Program (LDP)," a program that coordinates with overseas startups to offer innovative business strategy proposals. The LDP trains human capital to be full of entrepreneurial spirit and leadership to manage the group in the future.</p>

1. Human capital development

Theme	Examples of major initiatives and results
2. Training	<ul style="list-style-type: none"> HCP (Hybrid Communication Program) We offer a training program to middle management for acquiring communication skills including coaching aimed at developing the autonomy and best performance of each employee they manage. Approximately 200 employees have attended this program up to the end of FY2021. Through the Advanced HCP, launched in September 2021, we have been implementing a more sophisticated human resources development approach based on what we learned from the HCP. Overseas Language Intern Program As a trading company, Toyota Tsusho frequently posts employees to overseas assignments. We have put in place an Overseas Foreign Language Study system for personnels in charge of specific tasks to further develop human resources who can handle such postings. Following around one year of language study at an overseas university or language education institution, employees taking advantage of this system undergo approximately one year of practical training under the guidance of an expatriate stationed at an overseas branch or trading subsidiary. This system therefore functions as a program that offers language study opportunities as well as enables participants to experience local customs and cultures, while helping to vitalize career development and the practice of job rotation. Overseas Dispatch of Junior Employees We strive to offer each employee an opportunity to work overseas within eight years from hiring, aiming to equip them with practical overseas experiences and a global view at an early stage of their career.

Overseas Experience within Eight Years of Hiring
(average for the last three years)



Indicator and Result

Total training time

Hours	2019	2020	2021
Human capital development	78,662	53,973	68,221

Total number of participants

Person	2019	2020	2021
	3,439	3,032	3,262

Average training hours per employee

Hours/year	2019	2020	2021
	22.9	17.8	20.5

1. Human capital development

Column – Provision of value by materializing ideas

Toyotsu Inno-Ventures Project – Accelerate new business development by in-house business competition and its support program–

The **Toyotsu Inno-Ventures Project (TIVP)** is a company-wide project with the mission of identifying and enhancing the seeds of new business to create new businesses.

Ideas for new business are solicited from within the company and proof of concept (PoC) verification is performed, ultimately leading to business development within a sales division.

FY2021 marked the fifth year of this project. We value each employee's aspiration and proactive approach to management to contribute to resolving social issues while being aware of the consistency between ideas and Materialities.

This project instills a strong sense of responsibility among participants and develops strong individuals who earnestly pursue customer needs. Since the launch of this project, new services that have been developed include the "**BunkerNote**," "**Streams**," and "**cycle use of forest resources**."



**Toyotsu
Inno-Ventures
Project**



2. Health and productivity management – Strong individual –

2. Health and productivity management

Purpose and Policy

Health and productivity management

We have disclosed the health management declaration and been strategically practicing health management from a business perspective, based on the idea that measures aimed at maintaining and promoting the health of employees enhance their engagement and invigorate the organization, ultimately contributing to greater productivity for the company.

Having positioned "Increasing Health Literacy*" especially as a top-priority issue, we have been working on the issue with various measures under our Three Guiding Principles of Health Management.

Toyota Tsusho Group Employee Health Management Declaration

We of the Toyota Tsusho Group recognize that the physical and mental health of our employees is our most-important asset.

Thus, we welcome and respect the diversity of our employees and declare that we will strive to achieve work environments that provide peace of mind and opportunities for active participation by all. We also declare that we will unwaveringly adhere to our corporate principles and strive to become a value-creating entity by contributing to society through ever-better ways of doing business.

President & CEO Ichiro Kashitani

Three Guiding Principles of Health Management

Employee Health

We will support our employees in acquiring awareness and knowledge of health issues so that they can pursue self-initiative in maintaining and improving their physical and mental wellbeing.

Improvement of Workplace Vitality

We will support the establishment of work environments that facilitate mutual respect for the working style of each member of our diverse workforce and in which each person can actively participate, based on our "Diversity, Equity & Inclusion" policy. We aim to maximize organizational vitality and performance by revolutionizing our approach to work.

Social Contribution

With the active participation of each employee healthy in both physically and mentally, we will strive to endlessly contribute to the achieving of a prosperous society for an irreplaceable future through wholesome business activities around the world.

* All employees independently keep and manage their own health conditions.

2. Health and productivity management

Theme	Examples of major initiatives and results
1. Employee Health	<ul style="list-style-type: none"> Healthy Lifestyles Challenge 8 Program Employees are awarded one point for each of the eight lifestyle factors of appropriate weight, exercise, alcohol, smoking, breakfast, snacking, sleep, and stress, with eight being a perfect score. We calculate the average employee score and plan and implement measures for each of these healthy practices using the Healthy Lifestyles Challenge 8 KPI as an indicator for evaluating overall health management. In FY2021, the KPI was 5.57 points. Our target is to raise this to 6.5 points by FY2025.
2. Improvement of Workplace Vitality	<ul style="list-style-type: none"> Time management Under our basic policy of reducing overtime working hours, we implement initiatives considered under the labor-management partnership such as switching off all indoor lights at 8 p.m. to encourage people to leave the office early, gradually reducing the maximum overtime working hours stipulated in "36 Agreement," improving employee knowledge and awareness of labor management, and promoting taking paid holidays and "refreshment leave"*. Work-style reform Through labor-management partnership, we consider and implement support for employees in working in a style that fits with their lifestyle. Our measures include reducing core working hours with the flex-time work system, introducing a work-from-home system, and a teleworking allowance as a companywide teleworking promotion initiative.
3. Social contribution	<ul style="list-style-type: none"> COVID-19 prevention measures We established a COVID-19 Headquarters to implement measures against COVID-19 for about 3,500 Toyota Tsusho employees and 65,000 Group employees in Japan and overseas. Measures are divided into four categories: movement management and support, materials, infection status and individual response, and company rules.

Selected as a Health & Productivity Stock by the Health & Productivity Stock Selection 2022



In October 2017, Toyota Tsusho announced the Toyota Tsusho Group Employee Health Management Declaration, internally and externally declaring the company's commitment to promoting health and productivity management.

In March 2022, Toyota Tsusho was selected by the Health & Productivity Stock Selection for the second consecutive year from among the companies listed on the Tokyo Stock Exchange as a Health & Productivity Stock for the Company's strategic effort on handling of employee health from a management perspective.

Going forward, the entire Toyota Tsusho Group will undertake health management while focusing on its vision for the future to create workplaces in which each individual can work with vitality, leading to sustainable corporate growth.

* Paid holidays with welfare allowance, which employee can take every 5 years of enrollment

3. Diversity, Equity & Inclusion – Strong organization –

3. Diversity, Equity & Inclusion

Purpose

We respect and accept various differences such as genders, ages, nationalities, and other attributes, and promote making the most of these differences under the management strategy on DE&I. We will create diverse ideas and synergy to flexibly cope with the changing business environment and diversifying customer needs and reinforce competitiveness of the whole Group for sustained growth in the future.

Policy

We have expanded our business fields and operation bases through mergers and partnerships with a variety of companies. Our business domain spans the globe and a wide variety of fields, with roughly 65,000 Group employees working globally. With that in mind, we tackle the following four matters as priorities.

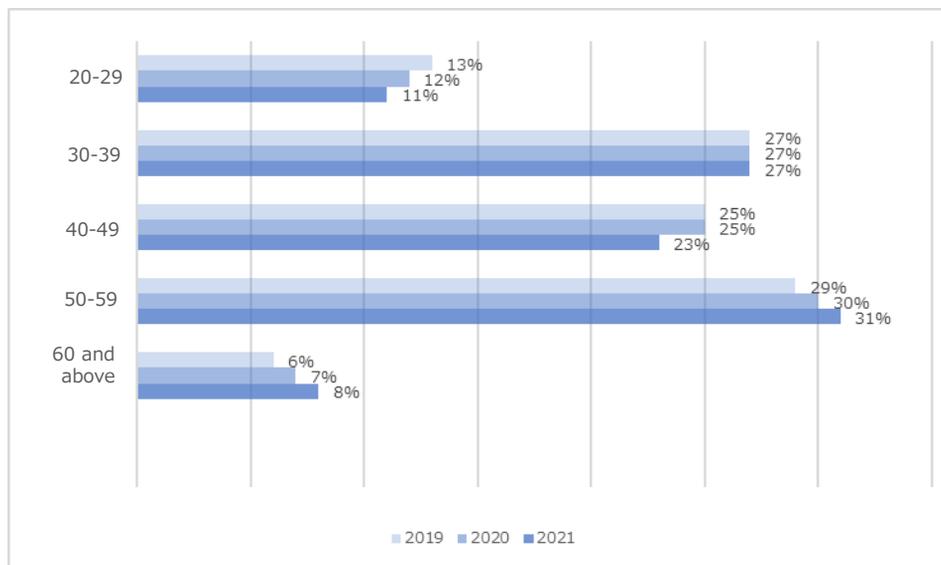
- | | |
|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| 1. Expand opportunities for diverse human capital | 3. Foster a corporate culture to create value by leveraging diversity |
| 2. Support achievement of both work-style improvements and a better work-life balance | 4. Change people's mindset |

Theme	Examples of major initiatives and results
1. Expand opportunities for diverse human capital	<ul style="list-style-type: none"> • Development of global human capital Each year, our Global Human Resources Committee discusses the development of successors for global key management positions in terms of our business strategy. In FY2021, we appointed two employees from our overseas Group companies as a general manager of headquarters for the first time. • Promoting active roles for female employees In striving to develop female leaders and actively recruit female leadership candidates, we support them in developing their career and staying on their career track through the mentoring program, career bridge system, and leave of absence system for employees whose spouses are posted overseas, among other measures. • Provision of diverse career paths under the new human resources management system Even under the classification of "Global staff" and "Area-specific staff" depending on their intention of transfer, all employees can engage their personalities and skills through common duties.
2. Support achievement of both work-style improvements and a better work-life balance	<ul style="list-style-type: none"> • Provision of diverse work-style We have introduced a flex-time work system and a work-from-home system for flexible work, and we also encourage our employees to take paid holidays and especially male employees to take child-care leave.
3. Foster a corporate culture to create value by leveraging diversity	<ul style="list-style-type: none"> • Periodic review at Executive Meetings Division CEOs set annual DE&I initiative targets for their organizations and report on progress and results at the Executive Officers Meeting and the Board of Directors to reflect their efforts in human capital development in their evaluations. • Ikiwaku Project We conduct an activity for the sustainable increase of organizational productivity through the lively work of diverse human resources. Employees discuss topics, in a small unit such as their department or group, concerning their new work-style under four guidelines: share your ideal self; everyone shares own-opinions; accept different ideas and values; build consensus, cooperate, and co-create. All members work on their transformation to a better work-style, respecting such voluntary decision-making.
4. Change people's mindset	<p>Since 2020, we have strengthened our understanding on the state of each organization by visualizing it through an engagement survey. Also, we hold workshops and lectures to encourage employees to be passionate and active. For middle management, we offer the Hybrid Communication Program, for acquiring coaching and communication skills, to develop the autonomy and best performance of each employee they manage. Approximately 200 employees attended the program up to FY2021. Through the Advanced HCP, launched in September 2021, we have implemented a more sophisticated human capital development approach based on what we learned from the HCP.</p>

3. Diversity, Equity & Inclusion

Indicator and Result

Employees by age



* Data concerning directly employed employees including those seconded to other company (excluding the members of the board, temporary staff, and those seconded from other companies)

Gender ratio

%

	2019	2020	2021
Men	70	70	71
Women	30	30	29

* Data concerning directly employed employees including those seconded to other company (excluding the members of the board, temporary staff, and those seconded from other companies)

Gender ratio of managers

%

	2019	2020	2021
Men	95.4	95.0	93.7
Women	4.6	5.0	6.3

Initiatives promoting the cultivation and active involvement of female leaders

Our Women's Mentoring Program (WMP) has been implemented on an ongoing basis for female employees since 2015 in order to nurture and expand the pool of next-generation female leadership candidates. Managers from other departments within the company and external women with management experience serve as mentors, promoting career awareness, expanding viewpoints, and helping employees to address issues.

3. Diversity, Equity & Inclusion

Indicator and Result

Percentage of independent outside directors

%

	2019	2020	2021
Independent outside directors	27.3	37.5	33.3
Non-independent outside directors	9.1	12.5	11.1
Others	63.6	50.0	55.6

At least one-third of the members of the board are independent outside members to strengthen the soundness of management and the functioning and quality of the Board of Directors, which serves to make decisions on top-priority management issues and monitor the execution of business.

The company is further enhancing its diversity, and currently has four outside members of the board (outside directors) with highly specialized knowledge and consisting of a foreign national, an individual from a research organization, and two women.

Statutory employment rate of people with disabilities

%

	2019	2020	2021
	2.56	2.59	2.60

Together with Toyotsu Office Service Corporation, a special subsidiary* in line with "Promotion of the Employment of Persons with Disabilities Law," we promote the employment of people with disabilities, whilst we engage ourselves to make our workplaces barrier-free with barrier free elevators, multi-purpose restrooms and Braille for feet. As a part of fringe benefits for those who work with us, we have massage rooms where therapists with visual impairment who have been well-trained and eligible to work with a national license are able to work. Since 2016, we also have had special medical staff such as a certified clinical psychologist and a mental health social worker, who are capable of supporting those with disabilities.

Duty to employ disabled persons (Article 43 of the Act to Facilitate the Employment of Persons with Disabilities, Article 9 of the Order for Enforcement of the Act, etc.)

- General employers must employ the number of people with disabilities that is equal to or larger than the number calculated by multiplying the number of regular employees by 2.3%, the mandatory proportion of disabled workers.
- The method for calculating the number of employees with disabilities is given below.

Qualifying disabled workers	Part-time worker	Non part-time worker
Person with a severe physical or intellectual disability	1 person	2 persons
Person with a physical or intellectual disability	0.5 person	1 person
Person with mental disability (no disability level classification)	0.5 person	1 person

* A subsidiary that, subject to certain requirements, is considered jointly as a single operating location for the purposes of calculating the parent company's percentage of employees with disabilities.

3. Diversity, Equity & Inclusion

Indicator and Result

Number of rehired retirees

Person

	2019	2020	2021
Number of rehired retirees	44	75	58

Reemployment program

Toyota Tsusho has set 60 as its mandatory retirement age. However, in FY2006 we set up a system for rehiring former employees who wish to work after retirement. Starting in April 2020, we changed the name to the "partner system," and we restructured the compensation system to provide a broad compensation structure that recognizes the increasing diversity of rehired employees and compensates them according to their responsibilities and duties. Under this system, we meet a diverse array of work requests, such as by providing "retirement refresh leave" that allows employees to take 10 days off, as well as by allowing shorter working hours and side jobs.

Number of employees who took childcare leave

Person

	2019	2020	2021
Men	31	40	67
Women	63	59	43
Total	94	99	110

Support for childcare and promotion of childcare leave

Toyota Tsusho is promoting a variety of systems to help employees balance work and personal life, such as a flex-time work system to support flexible working styles, a work-from-home system, and a system of reduced working hours that can be utilized until the employee's child completes the fourth grade at school.

We also implement activities to support our employee rearing their children, such as provision of intranet-based information and platform for information exchanging about childcare and work balance among employees who have children, as well as hosting family participation event "Welcome to Toyota Tsusho" to introduce the company to family members of our employees.

Number of employees who returned to the company under the Career Bridge System

Person

	2019	2020	2021
Returnees (aggregate)	17	22	26

This reemployment system aims to support the continuation of employees' careers if they are forced to quit company due to a change of residence resulting from marriage or their spouse's transfer, as well as securing talented personnel who have experience working at our company and have enthusiasm for improving themselves and working on advancing their careers.

Number of persons who used the Leave of Absence System for Employees Whose Spouses Are Posted Overseas

Person

	2019	2020	2021
Persons who took the leave (aggregate)	4	7	11

This system allows employees to take a leave of absence instead of quitting the company when they wish to accompany their spouses who are posted overseas for certain period. This is meant to support employees' career development and to retain experienced human resources.

3. Diversity, Equity & Inclusion

Column – Promote the roles of women in the company

We promote the creation of working environment in which all employees can realize their optimal work-life balance while making the most of their skills and inspiring one another to grow as a team. In order to promote the roles of women, we have established programs for selected female employees to raise awareness on their career and to nurture female leaders. Meanwhile we implement systems to support women staying on their career path, such as the career bridge system and the leave of absence system for employees whose spouses are posted overseas, with the aim of maintaining a rewarding and fulfilling work environment for female employees.

In recognition of these continuous efforts to create the decent working environment for female employees, we have been certified as “Kurumin” since November 2007 and were certified as “Platinum Kurumin” in March 2020. In addition to Kurumin certification, we received “Eruboshi Certification” in July 2016 and selected as a “Semi-Nadeshiko Brand 2022” in March 2022.

We will continuously engage in initiatives to create a rewarding and fulfilling working environment for not only women but for all employees.

Platinum Kurumin certification



Eruboshi certification



Semi-Nadeshiko Brand 2022



4. The right people for the right Job – Strong organization –

4. The right people for the right job

Purpose and policy

We strive to secure and develop strong individuals and build strong organizations through “the right people for the right job,” towards realization of “Be the Right ONE.”

Policies of the right people for the right job

- | | |
|--------------------------------------------|------------------------------------------------|
| 1. Reinforce the talent management process | 3. Establish human capital data infrastructure |
| 2. “Glocalization” of personnel | 4. Promote inter-division/function mobility |

Theme	Examples of major initiatives and results
1. Reinforce the talent management process	<ul style="list-style-type: none"> We strive to secure successor candidates for global key management positions which are clarified as important for consolidated management with definition of expected roles and required skills. The progress of this effort is shared and discussed in an annual company-wide meeting including management (the Global Human Resources Committee). In light of results of the meeting, we refine our effort using the PDCA cycle.
2. “Glocalization” of personnel	<ul style="list-style-type: none"> We employ and develop local human resources in each area and transfer authority to them so that they can autonomously manage the business. We also reinforce governance to support their autonomous management. We identify global key management positions*, select posts that can be localized, and review these posts annually. We also select successor candidates and systematically develop them to raise the percentage of locally employed staff.
3. Establish human capital data infrastructure	<ul style="list-style-type: none"> We have been gradually introducing information system infrastructure to support the abovementioned processes.
4. Promote inter-division/function mobility	<ul style="list-style-type: none"> We encourage inter-division/function mobility in the company by establishing a system that enables employees who meet certain requirements to apply for a transfer to the organization in a different division, or with a different function, that they wish to join. When the needs of both are met, the applicant will be prioritized by the appointee organization in selecting its human resources. Our Challenge Rotation is a system whereby human resources personnel arrange transfers based on employees’ wishes. Another scheme is the Challenge Post, under which employees apply for organizations with specific needs for human resources. In FY2021, 9 out of 26 applicants had been transferred through Challenge Rotation and 20 out of 43 applicants had been transferred through Challenge Post.

* Global key management positions: key positions for consolidated business management

Indicator and Result

In-house appointment ratio

%

	2019	2020	2021
	100	100	100

5. Respect for human rights – Strong organization –

5. Respect for human rights

Purpose and Policy

Respect for human rights

The Toyota Tsusho Group has been striving to solve social issues through our business activities under our fundamental 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." We recognize that it is an extremely important responsibility for us to understand and undertake appropriate actions in response to human rights issues of countries and regions in order to "Be the Right ONE." We set our idea, "Respect human rights, and actively develop people who will contribute to society by nurturing them and giving them opportunities to apply their skills" as one of our Key Sustainability Issues (Materiality).

Toyota Tsusho Group Human Rights Policy – Policy and basic concept

1. Our stance on international norms and laws

We believe that respect for human rights in accordance with international standards forms the foundation of our business worldwide, and consequently, we respect human rights based on the United Nations International Bill of Human Rights, including the "Universal Declaration of Human Rights" and the "Guiding Principles on Business and Human Rights."

Our Behavioral Guidelines stipulate that we "Will respect people and strive to create an engaging workplace," as good corporate citizens and our Global Code of Conduct & Ethics (COCE) specifies our respect for human rights and stresses our consideration for human rights.

We particularly strive to ensure that there is no discrimination against gender, age, nationality, race, skin color, ethnicity, religion, sexual orientation, disabilities, political views, or other factors in our workplaces, to establish policies to prohibit forced labor, child labor and unreasonably low wage labor, to eliminate inadequate employment and pay above the minimum wage in compliance with labor laws and regulations of countries in which we operate and to protect the right to privacy and freedom of expression of all individuals with whom we engage in the course of our company activities.

2. Scope of application

This policy applies to all officers and employees. We also expect all of our business partners, including suppliers, to understand and comply with this policy.

3. Human rights due diligence

We will strive to identify and prevent or mitigate any adverse impacts on human rights in our business through our human rights due diligence mechanisms.

4. Remediation and remedy

If we discover that our business activities have caused or are having an adverse impact on human rights, we will work to remediate or remedy them through appropriate procedures and dialog.

5. Grievance mechanism

We will endeavor to establish a reporting and grievance system to appropriately understand and respond to all human rights issues affecting our officers and employees or otherwise related to our business.

6. Education

We will provide appropriate education and training to officers and employees so that they are familiar and comply with this policy. Moreover, we will include this policy in our guidelines and other necessary procedures so as to firmly establish it in our business activities.

7. Progress confirmation and information disclosure

We will persistently review our efforts to respect human rights, track progress and disclose our findings in a timely manner through our website, etc.

8. Dialog / discussion with stakeholders

We will endeavor to consult with third-party organizations with human rights expertise regarding any adverse impact on human rights and engage in dialog and discussions with relevant stakeholders.

5. Respect for human rights

Purpose and Policy

Toyota Tsusho Group Human Rights Policy – Initiative for specific issues

Rights of children

We believe that the human rights of children—who will lead future generations—require particular consideration. To this end, we endorse children's rights-related treaties championed by international organizations and support UNICEF's "Children's Rights and Business Principles."

Rights of indigenous peoples

We recognize the unique culture and history of indigenous people in our business activities in the countries and regions where they reside. Further, we shall consider the rights of indigenous peoples stipulated in the laws and regulations of such countries and regions as well as in international norms, such as "United Nations Declaration on the Rights of Indigenous Peoples."

Our stance on security firm appointment

We recognize that the use of weapons in security operations carries a potential risk of human rights abuse. Accordingly, we will endeavor to respect human rights by supporting the laws and norms of countries and regions in which we conduct business, as well as related international agreements, when appointing security organizations and other entities as part of our business activities.

Prevention of modern slavery

We will endeavor to undertake measures to prevent the influence of modern slavery, such as forced labor and human trafficking, in our business activities.

Theme	Examples of major initiatives and results
1. Structures	<ul style="list-style-type: none"> The Human Resources Department implements human rights-related measures day-to-day based on the Human Rights Policy and the Code of Conduct & Ethics (COCE), under the jurisdiction of the CSO and CHRO.
2. Respect for Human Rights in COCE	<ul style="list-style-type: none"> We seek to ensure thorough awareness about respect for human rights by obtaining, through the COCE global network, a globally common pledge from both Toyota Tsusho Group officers and employees around the world to follow the COCE.
3. Human Rights Due Diligence	<ul style="list-style-type: none"> We began conducting human rights due diligence at 780 domestic and overseas Group companies in order to respond to human rights risks that could have an impact on society through Group business activities.
4. Internal whistleblowing system	<ul style="list-style-type: none"> Toyota Tsusho Group has set up a Compliance Consultation Desk for consultations on and reporting of sexual harassment, power harassment, discriminatory language, and other human rights issues.
5. Training and awareness activities	<ul style="list-style-type: none"> We have introduced practical harassment training with the goal of raising awareness on human rights and appropriate labor management with detailed case studies to learn harassment trends and countermeasures for employees in managerial positions including Group companies.
6. Fair employment	<ul style="list-style-type: none"> When hiring employees, we make fair decisions based solely on whether an individual has the abilities and qualities matching the needs of Toyota Tsusho. Differences based on gender, age, nationality, disabilities, and other factors are not considered during this process.
7. Measures to Eliminate human rights violations	<ul style="list-style-type: none"> As part of COCE, we pledge not to participate in child labor, human trafficking, and other forms of forced labor.
8. Equal pay for equal work	<ul style="list-style-type: none"> We have applied Toyota Tsusho Group Human Rights Policy and Supply Chain CSR Behavioral Guidelines worldwide, and required each Group company to create compensation structures compliant with local laws in accordance with the policy and guidelines. In Japan, we established the "Human Resources Meeting" and announced to human resources personnel at domestic Group companies, that we will provide equal pay for equal work in accordance with the law. We comply with the statutory minimum wage and applies compensation systems that are in uniformity across gender for the same qualifications and same work duties.

5. Respect for human rights

Indicator and Result

Number and type of grievance filed

Case	2019	2020	2021
Harassment	1	0	1
Work environments	2	2	0
Others	2	0	0

Compliance Consultation Desk

Toyota Tsusho has set up a Compliance Consultation Desk for consultations on and reporting of sexual harassment, power harassment, discriminatory language, and other human rights issues. The Consultation Desk determines whether an investigation is necessary and, if so, operates in such a way that anonymity and confidentiality are maintained, and that reporting personnel are not subject to retaliation. The reporting personnel is notified of the investigation's results as necessary.

In November 2017, we launched a dedicated external reporting line with multilingual support in more than 160 languages, providing a global service with greater anonymity and confidentiality. In this way, we are working to establish internal reporting systems that make it easier for employees to report or consult on matters related to COCE violations, including corruption and human rights' violations.

IV. Human Capital Metrics

1. Compliance and ethics
2. Costs
3. Organizational health, safety and well-being
4. Workforce availability
5. Productivity
6. Recruitment, mobility, and turnover

1. Compliance and ethics

Indicator and Result

Number and type of concluded disciplinary action

Case	2019	2020	2021
Disciplinary dismissal	0	0	0
Others	9	2	2

Percentage of employees who have completed training on compliance and ethics

%	2019	2020	2021
	100	100	100

Activities to Raise Compliance Awareness

Toyota Tsusho offers various types of training and seminars, including mandatory e-learning to ensure compliance with laws and regulations and the internalization of specific codes of ethical conduct in the day-to-day work of its executives and employees. In addition, we obtain pledges from all executives and employees and review compliance status.

The company also conducts training, e-learning, and information sessions for executives and employees on topics such as insider trading, bribery prevention, cartels, supply chain CSR, and the COCE to ensure that all personnel are fully aware of the prohibition of corruption in all forms. In addition, the company reviews, revises, and issues the Laws & Ordinances Handbook for executives and a compliance manual for employees every two years so that the entire company workforce is familiar with important laws to ensure strict compliance with laws, regulations, and corporate ethics.

2. Costs

Indicator and Result

Total workforce costs

Million Yen	2019	2020	2021
	40,016	39,330	41,169

3. Organizational health, safety and well-being

Indicator and Result

Lost time for injury

Hours

	2019	2020	2021
	0.00	0.00	0.00

Percentage of occupational accidents

%

	2019	2020	2021
	0.00	0.00	0.00

At Toyota Tsusho, industrial accidents that occur at Group workplaces are reported without delay according to the Toyota Tsusho Group Industrial Accident Reporting Standards.

Root-cause analysis and reoccurrence prevention measures are disseminated across all departments, with the aim of preventing similar accidents.

Percentage of people killed during work

%

	2019	2020	2021
	0.00	0.00	0.00

Average overtime work per month

Hour

	2019	2020	2021
	20.6	19.0	23.7

Absenteeism

%

	2019	2020	2021
Physical cause	0.21	0.12	0.19
Mental cause	0.33	0.28	0.48

* Data concerning directly employed employees including those seconded to other company (excluding the members of the board, temporary staff, and those seconded from other companies)

4. Workforce availability

Indicator and Result

Number of employees

Person

	2019	2020	2021
Members of the board and executive	59	60	58
Employees	3,669	3,680	3,648

* No part-time staff employed

Full-time equivalents (FTE)

FTE

	2019	2020	2021
Calculated using our standard working hours of 7.75	2,670	2,782	2,796
Calculated using the general standard working hours of 8.00	2,587	2,695	2,709

* Data concerning directly employed employees excluding those seconded to other companies (excluding members of the board and temporary staff)

5. Productivity

Indicator and Result

Human capital RoI

	2019	2020	2021
	2.91	2.05	4.17

Calculation Formula

$$\text{Human capital RoI} = \frac{\text{Ordinary income}}{\text{Human capital cost}}$$

EBIT per employee and profit per employee

Million yen

	2019	2020	2021
EBIT per employee	45	30	63
Profit per employee	43	29	61

* The number of employees is based on the FTE (calculated based on our standard working hours of 7.75).

6. Recruitment, mobility, and turnover

Indicator and Result

Average time to fill vacant positions

Days	2019	2020	2021
	67.8	68.1	75.8

* Total number of days required to hire employees who joined Toyota Tsusho as new university graduates in the relevant fiscal year. Calculated based on the number of days from the application date to the offer acceptance date. Recruiting of mid-career applicants is not included.

Average time to fill vacant critical business positions

Days	2019	2020	2021
	0	0	0

* "critical business positions" in this article are a part of global key management positions which belong to Toyota Tsusho Corporation.

* The result is zero with each fiscal year because new staff members can take up the positions immediately after they are vacated based on our successor plan for key posts.

Percentage of critical business positions filled internally

%	2019	2020	2021
	100	100	100

* "critical business positions" in this article are a part of global key management positions which belong to Toyota Tsusho Corporation.

Turnover rate

%	2019	2020	2021
	4.7	4.0	4.4

* Data concerning directly employed employees excluding fixed-term contract employees (excluding members of the board, temporary staff, and seconded employees from other companies)

Voluntary turnover rate

%	2019	2020	2021
	2.3	1.9	2.2

* Data concerning directly employed employees excluding fixed-time contract employees (excluding members of the board, temporary staff, and seconded employees from other companies)



Meeting Human Capital Reporting Standards

Independent Auditors Report

To all the stakeholders of Toyota Tsusho Corporation.

We, HC Produce Inc. and Human Capital Management Institute, LLC, have jointly audited the data, statements, systems and strategies for Human Capital reporting in the fiscal year of 2021 by Toyota Tsusho Corporation as a single company (Toyota Tsusho).

We conducted conformance assessment audit in accordance with the Human Capital Reporting guideline of ISO 30414. The audit includes interviews with Toyota Tsusho's leadership and management teams of each metric, assessment of Toyota Tsusho's data contents, guidelines and systems, assessment of Toyota Tsusho's statements clarifying strategies and internal guidelines, and assessment of Toyota Tsusho's external and internal reports for each metric of ISO 30414.

In our opinion, the statements, systems and strategies referred to above fairly, in all material respects, the position of Toyota Tsusho as of 31st October 2022 results of their managements of Human Capital reporting, ended in conformance with ISO 30414.

保坂 駿介

HC Produce Inc.
CEO Shunsuke Hosaka
October 31st 2022

Human Capital Management Institute, LLC
CEO Jeff Higgins
October 31st 2022



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