

Human Capital Report 2024

Fiscal year ended March 31, 2024

Contents

I	03	Message from the CHRO – Toyota Tsusho’s Human Capital Management
II	05	Philosophy and Vision
III	08	Value Creation Model
IV	11	Initiatives for Human Capital Management
	12	1 - Human Capital Development
	17	2 - The right people in the right places and the right places for the right people
	19	3 - Diversity, equity, and inclusion (DE&I)
	25	4 - Well-Being Management
	28	5 - Respect for human rights
V	34	Human Capital Metrics
	35	1 - Compliance and ethics
	35	2 - Costs
	36	3 - Organizational health, safety and well-being
	37	4 - Workforce availability
	37	5 - Productivity
	38	6 - Recruitment, mobility, and turnover

Message from the CHRO – Toyota Tsusho's Human Capital Management

I

Message from the CHRO – Toyota Tsusho’s Human Capital Management

The Toyota Tsusho Group will become a group in which people and organizations shine the most through the strengthening of people and the creation of an environment that draws out the capabilities of individuals to the maximum extent, both aligned with our business strategies.

Chief Human Resources Officer



At the Toyota Tsusho Group, we have established the vision “Be the Right ONE,” which means becoming a one-and-only, essential presence for all of our stakeholders by working to solve social issues through our business activities.

Success in realizing the vision depends entirely on people, and we will make every effort to invest in and support the development of individuals to raise their value with the aim of transforming a professional group of autonomous individuals into “People Company Toyotsu,” a value-generating corporation that contributes to the creation of prosperous societies. This is how we see human capital management at the Toyota Tsusho Group.

While the necessity of “human capital management” due to macro and micro factors becomes more prevalent and realistic, our management has been people-centric from the very beginning. Even looking at the 20-year span, the basis of our great corporate growth has been entirely people. What we need to focus on going forward is developing management activities that keep in mind that initiatives and strategies for human resources and business strategies are two sides of the same coin.

The Toyota Tsusho Group has approximately 70,000 employees, and seeing our employees brimming with vitality and energy working on a global stage spanning approximately 130 countries and regions not only fulfills these goals, but is also a moment when I, the chief of human resources, feel most proud of my employees and feel energized by them.

The environment surrounding the group will continue to change by the day, but we will look beyond past successes and the established wisdom to exhibit our capabilities with our colleagues around the world, and produce managerial and business-creating human resources who will drive our business forward. We will also accelerate the right people in the right places and the right places for the right people to maximize the capabilities of individuals and organizations, and conduct organizational development for diversity, equity, and inclusion (DE&I) to respect diversity and generate synergies, and to energize organizations with employees playing active roles in their unique ways, and strengthen our foundational elements, such as health management and human rights due diligence. We are committed to encouraging our employees to take bold challenges and becoming a company chosen by our customers, all while advancing various initiatives guided by a consistent vision.

Philosophy and Vision

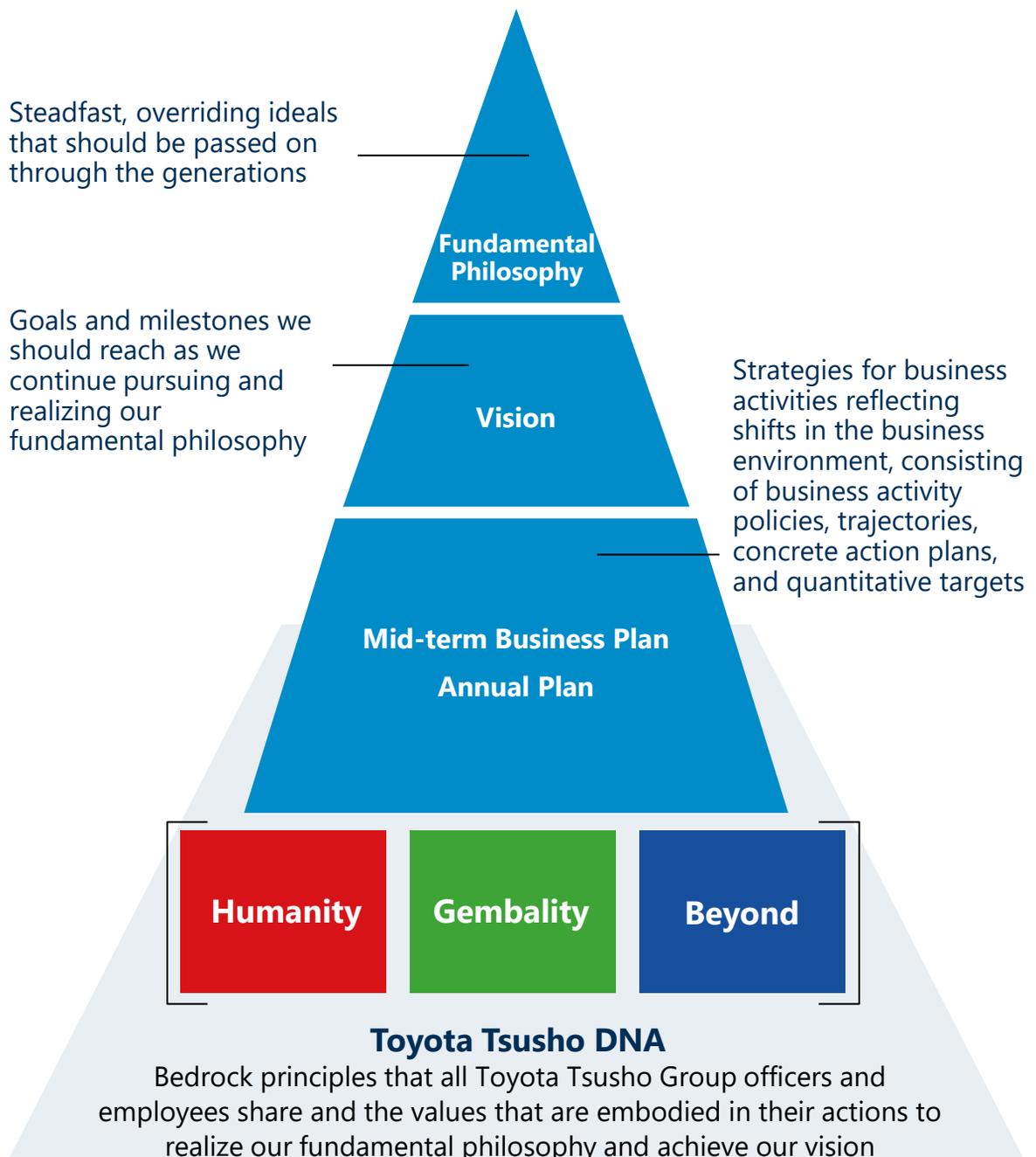
II

Philosophy and Vision

Philosophy system

We, the Toyota Tsusho Group, deliver to countries around the world a diverse range of products and services essential for building prosperous and comfortable societies and managing the global environment.

We are guided by a four-level philosophy system that enables us to successfully meet the challenges of each new age.



II

Philosophy and Vision

Toyota Tsusho has established a corporate philosophy and behavioral guidelines as its fundamental philosophy for creating a better society and global environment together with everyone.

Corporate Philosophy

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.

Behavioral Guidelines

As a good corporate citizen,

We will strive for open and fair corporate activities;

We will be socially responsible and strive for conservation of the natural environment;

We will be creative and strive to provide added value;

We will respect people and strive to create an engaging workplace.

We have established the Global Code of Conduct & Ethics (COCE) to link our behavioral guidelines to specific actions.

Global Vision

To achieve further evolution as a truly global company, the Toyota Tsusho Group has set our Global Vision as a guideline to be followed in unison by all officers and employees throughout the world.

Ideal Image

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 gemba), 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.

Toyota Tsusho DNA

Weaving our precious mindset and behavior from the past to the present and the future for continuing to "Be the Right ONE"



Humanity

**Integrity
Empathy
Passion**

Gembality

**Live in Gemba
Face Reality
Accomplish**

Beyond

**Beyond Borders
Open up New World Together
Create Future**

* Gembality: Combination of "gemba" [gemba = "genchi" (on-site) + "genbutsu" (hands-on)] + "reality"



Value Creation Model



Value Creation Model

Through businesses that leverage our strengths, we will work to contribute to solving social and environmental issues and create a better society and global environment together with everyone.



We will create a strong cash flow through business domains that embody Toyota Tsusho's distinctive traits (Core Value domains) and reallocate it to business domains that contribute to solving social issues (Social Value domains) and environmental issues (Nature Value domains). We will then work to expand our Social Value and Nature Value businesses, and, by creating synergies with the Core Value domain, achieve a cycle that will allow the Core Value domain to grow.

We will make this cycle faster and larger to link each business to sustainable growth and realize our long-term vision: "To create a better society and global environment together with everyone by simultaneously providing social and natural value and economic value."

This initiative is the essence of Toyota Tsusho's sustainability, and we regard it as an "integral component of management."

Seven priority domains and core business for achieving our Long-term Vision

Next Mobility	Business domain related to next-generation automobiles
Renewable Energy & Energy Management	Business domain related to renewable energy and the electric power value chain
Africa	Business domain related to Africa
Circular Economy	Business domain related to resources recycling
Batteries	Business domain related to the total battery supply chain
Hydrogen & Alternative Fuels	Business domain related to alternative fuels such as hydrogen and biofuels
Economy of Life	Business domain related to medicine, textiles, food, and housing, with a focus on healthcare
Core business	Business domain representing our strengths with a focus on mobility



Value Creation Model

Overview of Human Capital Strategy

Ideal

Toward “People Company Toyotsu”

Human Capital Strategy toward the Ideal We Aspire To

Two Pillars



To realize “People Company Toyotsu,” it is vital to conduct human capital management—management activities that link business strategies and our human capital strategy. We consider securing the quality and quantity of human capital required for our business strategies and shaping a workplace environment that encourages and enables individuals to hone and exercise their capabilities fully to be most important in maximizing the power of people who play central roles in this human capital management. Under this recognition, we have set strengthening human capital and promoting the success of human capital as two pillars. These two pillars are the foundations of all of our human capital initiatives, and of such initiatives, we will share some representative ones as shown below.

Major Initiatives

Production of managerial and business-creating people who continue to win globally	The right people in the right places and the right places for the right people, so as to maximize the capabilities of individuals and organizations	Diversity, equity, and inclusion (DE&I) to respect diversity and generate synergies
Well-being management to energize organizations with employees playing active roles in their unique ways	Begin everything we do with respect for human rights	

Initiatives for Human Capital Management

1. Human Capital Development
2. The right people in the right places and the right places for the right people
3. Diversity, equity, and inclusion (DE&I)
4. Well-Being Management
5. Respect for human rights

1. Human Capital Development

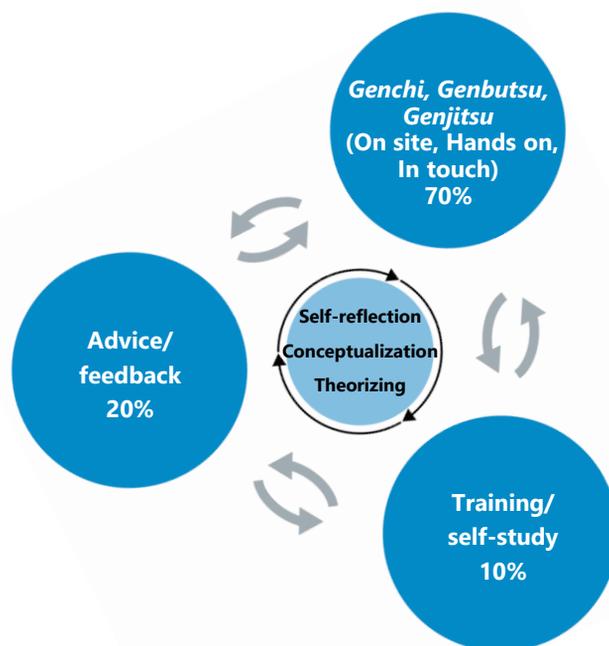
1 - Human Capital Development

Purpose and Policy

To flexibly address changes in the business environment and continuously create value together with our partners, we are focusing on cultivating managerial, business-creating global human capital.

Based on the 70:20:10 model for learning and development, which outlines that 70% of personal growth comes from (using our in-house terminology) putting into practice the principles of Genchi, Genbutsu, Genjitsu (On site, Hands on, In touch), 20% comes from advice and feedback from superiors and senior colleagues, and 10% comes from training and self-study, we have structured a system that emphasizes growth opportunities through work and leads to learning opportunities, thereby accelerating a cycle of growth unique to a Toyota Tsusho person.

The Growth Cycle of a Toyota Tsusho Person



Examples of major initiatives

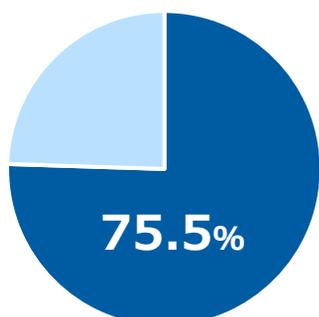
Human Capital Cultivation through the Practice of Genchi, Genbutsu, Genjitsu (On Site, Hands On, In Touch)

● Work assignments and training linked to career aspirations

To achieve both business goals and employee career development, we provide opportunities for employees to align their career aspirations with their work assignments through three annual interviews with their supervisors. We help employees acquire a wide range of skills through diverse assignments, such as cross-divisional experience and management experience at overseas entities, in line with their career aspirations.

● Overseas dispatch of junior employees

By providing opportunities for overseas assignments and hands-on training to all global employees up to their eighth year of employment, we are cultivating employees' sense of competition on the global stage from an early stage in their careers.



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

Overseas experience: Employees deployed overseas, business trainees, language students, etc.

1 - Human Capital Development

Examples of major initiatives

Human Capital Cultivation Through Advice and Feedback

● HCP (Hybrid Communication Program)

To increase subordinates' motivation to learn through their work by eliciting their intrinsic motivation through dialogue, we provide training in communication skills, including coaching, for middle management. (A total of 483 people have participated as of the end of March 2024.)

Human Capital Cultivation Through Training and Self-Study

● GALP (Global Advanced Leadership Program)

Aiming to cultivate global leaders with high aspirations and the ability to lead diverse human capital, we have partnered with top business schools overseas to implement a six-month program for selected next-generation management candidates from around the world to "learn about the world, the company, and oneself." Furthermore, we also aim to maintain and expand the global network among employees by continuously setting up opportunities for interaction as "alumni activities" for former participants.



● LDP (Leadership Development Program)

One step below GALP is the "Leadership Development Program (LDP)," a program that collaborates 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.

● CEP (CEO Essentials Program)

We are implementing human resources development of managers and candidates for our domestic and overseas consolidated subsidiaries (approximately 800 companies) with the aim of passing on the aspirations and skills of managers that are distinctive of Toyotsu Group.

● Language Intern Program

This is a program for junior employees to acquire language skills for approximately one year at overseas universities or language education institutions to develop human resources capable of adapting to our business model, which involves extensive overseas assignments.

1 - Human Capital Development

Indicator and Result

Total training time (Human capital development)	(Hours)		
	2021	2022	2023
	68,221	91,698	112,533

Total number of participants	(Person)		
	2021	2022	2023
	3,262	3,454	3,525

Average training hours per employee	(Hours/year)		
	2021	2022	2023
	20.5	27.7	34.2

As one way of supporting the development of self-reliant individuals based on their current situations and goals, in the fiscal year ended March 31, 2024, we implemented mandatory career design e-learning, for all employees.

1 - Human Capital Development

Column

Toyotsu Inno-Ventures Project

Accelerate new business development by in-house business competition and its support program

Toyotsu Inno-Ventures Project



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.

FY2023 marked the sixth 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," "Cycle use of forest resources,"** and **"Business partnership with Lightz."**

● BunkerNote



● Streams



● Cycle use of forest resources



● Business partnership with Lightz

 TOYOTA TSUSHO CORPORATION



 LIGHTz

BunkerNote : https://www.toyota-tsusho.com/press/detail/210302_004771.html
Streams : https://www.toyota-tsusho.com/press/detail/210824_004885.html
Cycle use of forest resources : https://www.toyota-tsusho.com/press/detail/211125_004933.html
Business partnership with Lightz : https://www.toyota-tsusho.com/press/detail/230724_006274.html

2. The right people in the right places and the right places for the right people

2 - The right people in the right places and the right places for the right people

Purpose and Policy

We are committed to putting the right people in the right places, thus promoting them to the most suitable positions for them to fully demonstrate their abilities based on their career aspirations. In addition, to link our business and human resources strategies, we are clarifying important business posts and their roles and focusing on providing the right places for the right people to ensure that the most suitable people are assigned to them.

Examples of major initiatives

Strengthening the training process to enable selection for global positions

We are strengthening our training process to ensure the quality and quantity of global leaders. We have clarified the global key management positions that are important for consolidated management and have defined the expected roles and necessary skills for these positions. We select candidates for each position and plan development plans based on the gap between the expected role and the current skill level. In particular, we are focusing on the development and appointment of local talent to promote collaboration with locally based partners and locally generated businesses. The progress of training is shared and discussed at company-wide meetings (of the Global Human Resources Committee) involving management, and the PDCA cycle is being implemented. We are unifying our information system infrastructure globally to promote these initiatives more efficiently and effectively.

Promoting transfers based on employees' career aspirations

To provide growth opportunities that match employees' career aspirations and to increase the fluidity of human resources within our organization, we have established a system that prioritizes transfers for employees who meet set requirements. We have introduced two systems: the Challenge Rotation System, in which the Global Human Resources Department coordinates transfers based on employee requests; and the Challenge Post System, in which employees apply for a post based on the organization's needs and in which the organization matches employees with such posts.

Indicator and Result

In-house appointment ratio	2023		
	2021	2022	2023
	95.1	92.1	92

In accordance with the provisions of ISO 30414, past performance has been revised.

Percentage of critical business positions filled internally	2023		
	2021	2022	2023
	100	100	100

3. Diversity, equity, and inclusion (DE&I)

3 - Diversity, equity, and inclusion (DE&I)

Purpose and Policy

We have historically expanded our business and operating regions through integration and partnerships with a variety of companies. As such, we have a globally diverse workforce of approximately 70,000 employees.

In this setting, DE&I efforts are accelerating around three themes.

1. Outstanding performance of diverse human capital
2. Promotion of work style reform and support for balancing work and family life
3. Fostering a corporate culture that leverages diversity and changes people's mindset

Examples of major initiatives

Outstanding performance of diverse human capital

● Development and promotion of global human capital

We are selecting and cultivating employees from overseas subsidiaries at our head office to develop global leaders and globalize our head office. Most recently, a person from overseas who was appointed as a general manager at our head office was promoted to the post of executive officer in the Asia & Oceania region after gaining experience in Japan.

● Promoting active roles for female employees

Aiming to promote the success of diverse human capital, we have implemented mentoring programs to develop female leaders and early overseas assignments that take into account life events. We also support women's career development and continuity through systems such as a leave of absence system for employees whose spouses are posted overseas and a career bridge system,* among other measures.

* A system that provides employees who have left the company due to marriage or a change of residence following the transfer of their spouses with the opportunity to return to the company to play an active role

Promotion of work style reform and support for balancing work and family life

● Providing a diverse range of career paths

With a system that allows employees involved in nursing care to transfer between job types, they can choose a career path (job type) that allows them to work in a way that suits them, depending on their life stage and aspirations, such as being able to work at a fixed location for a limited time.

● Realizing flexible work styles and work-life balance

We are providing a range of options to enable flexible work styles, including a flextime system, a work-from-home system, and a shortened working hour system for childcare. We are also working to create an environment that enables work-life balance, such as by promoting the taking of childcare leave by men and introducing a volunteer leave system.

Fostering a corporate culture that leverages diversity and changes people's mindset

● Career development support program

We provide career design e-learning and career development support workshops for all employees to encourage them to become more aware of their career development and to provide opportunities for them to change their behavior accordingly. In addition, through career development support training and other programs, managers support the career development of their subordinates.

● Periodic review at executive meetings

To ensure that the entire organization is involved, division CEOs set annual DE&I initiative targets for each division and report on the progress and results of activities (e.g. accepting employees from overseas subsidiaries, promoting women's success, etc.) at the Executive Officers Meeting and Board of Directors meetings.

3 - Diversity, equity, and inclusion (DE&I)

● Office reform

To create new value and foster and pass on a corporate culture that is distinctive of Toyota Tsusho, we have renovated our offices to make them “hubs” for communication, introducing a free address system and expanding collaborative spaces. We are promoting dialogue between employees that transcends organizational boundaries, spontaneous information exchange, and the synergistic effect of teaching each other.



Head Office (Nagoya) 11th floor

● Evolution HUB

We have established the Evolution HUB, which consists of organizational development professionals, to improve organizational capabilities. It creates cross-organizational collaboration opportunities (coaching, dialogue meetings, etc.).

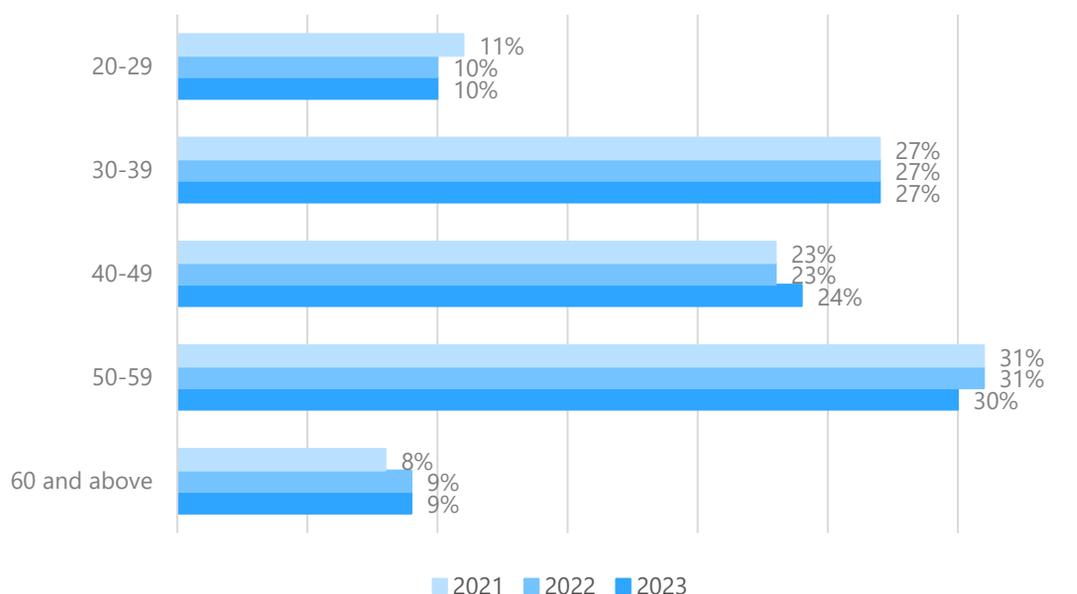
● Engagement survey

To enable autonomous improvement at the organizational level, we conduct an engagement survey once a year to visualize the state of the organization. For issues that are shared company-wide, the global human resources department leads improvement measures and promotes the creation of an organization in which every employee can perform enthusiastically.

3 - Diversity, equity, and inclusion (DE&I)

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	2021			2022			2023		
Men	71	70	71	71	70	71	71	70	71
Women	29	30	29	29	30	29	29	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	2021			2022			2023		
Men	93.7	93.5	92.6	93.7	93.5	92.6	93.7	93.5	92.6
Women	6.3	6.5	7.4	6.3	6.5	7.4	6.3	6.5	7.4

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 develop and expand the pool of next-generation female candidates for management positions. 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. In addition, starting in 2021, we have been formulating and reviewing individual development plans to produce female managers on an ongoing basis. Taking into account women’s life events, we provide opportunities for early overseas assignments and to gain management experience both in Japan and overseas. Each division reports on these activities in the annual DE&I executive report and checks their progress.

3 - Diversity, equity, and inclusion (DE&I)

Indicator and Result

Percentage of independent outside directors	(%)		
	2021	2022	2023
Independent outside directors	33.3	37.5	37.5
Non-independent outside directors	11.1	12.5	12.5
Others	55.6	50.0	50.0

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, which makes decisions on top-priority management issues and monitors the execution of business. The four outside members of the board (outside directors) include an overseas national and a business entrepreneur, ensuring a continued high level of specialized knowledge, while the inclusion of two female members also contributes to enhancing its diversity.

Statutory employment rate of people with disabilities	(%)		
	2021	2022	2023
	2.60	2.62	2.79

Together with Toyotsu Office Service Corporation, a special subsidiary* and Toyotsu Human Resource Corporation, an affiliated company* 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, 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. 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.

In addition, we are bolstering the recruitment of both new graduates and mid-career employees at our head offices to instill and foster a culture of DE&I as the foundation for realizing "Be the Right ONE."

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

*2 The subsidiary can be included in the actual employment calculation for the Group if the parent company with a special subsidiary company (tokurei-kogaisya) applies for and receives certification.

Number of rehired retirees	(Person)		
	2021	2022	2023
	58	62	69

Reemployment program

Toyota Tsusho has set 60 as its mandatory retirement age. However, we set up the "partner system," a system for rehiring former employees who wish to work after retirement, 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.

3 - Diversity, equity, and inclusion (DE&I)

Indicator and Result

Number of employees who took childcare leave	(Person)		
	2021	2022	2023
Men	67	59	58
Women	43	46	40
Total	110	105	98

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 employees rearing their children, such as introduction of a system that allows employees to take 20 days of paid childcare leave and "Childcare learning" (a system that supports the acquisition of skills and awareness through childcare experience), provision of intranet based information and platforms 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 (aggregate)	(Person)		
	2021	2022	2023
	26	32	34

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 (aggregate)	(Person)		
	2021	2022	2023
	11	14	15

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, and inclusion (DE&I)

Column

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.

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



4. Well-Being Management

4 - Well-Being Management

Purpose and Policy

Well-Being Management

We recognize that the physical and mental health of our employees is our most important asset. Based on this, we believe that health maintenance and promotion enhance engagement, invigorate the organization, and, ultimately, contribute to greater productivity. We have set improving health literacy, in which each person independently maintains and improves one's health, as our top priority issue, and we are promoting various measures based on our "Three Guiding Principles of Health Management," including Employee Health, Improvement of Workplace Vitality, and Social Contribution.

* All employees independently maintain and improve their own health conditions.

Toyota Tsusho Group Employee Well-Being 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 Well-Being Management

Employee Health

Continuing to bear in mind the development of our global business activities, 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 well-being, and, based on our diversity, equity, and inclusion (DE&I) policy, we will support so that all employees are able to address their health issues in anticipation of various life stages and events.

Improvement of Workplace Vitality

Based on our diversity, equity, and inclusion (DE&I) policy, in which diverse human resources respect each other's differences and proactively leverage them, we will create a workplace environment that allows for diverse and flexible working styles. At the same time, through mechanisms to encourage dialogue beyond organizational hierarchies, we will create an organization that generates diverse ideas and synergies utilizing human resources who can think independently and act on their own with self-initiative to continue to improve themselves, and by encouraging these diverse human resources to share their wisdom, resonate with each other, and collaborate.

Social Contribution

With each and every employee active on the global stage, engaging at a high level, and being healthy in mind and body, we will strive to endlessly contribute to the achieving of prosperous societies for an irreplaceable future through wholesome business activities around the world.

4 - Well-Being Management

Examples of Major Initiatives

Healthy Lifestyles Challenge 8 Program

We are implementing initiatives to promote behavioral change for the health of our employees. Employees are awarded one point for each of eight lifestyle factors (desirable weight, exercise, alcohol, smoking cessation, breakfast, snacks/sweets, sleep, and stress), with eight being a perfect score. We plan and implement measures for each of these eight lifestyle factors. The result for the fiscal year ended March 31, 2024, was 5.51 points, an increase compared to the result of 5.34 points for the fiscal year ended March 31, 2023, and our target is to raise this to 6.5 points by the fiscal year ending March 31, 2026.

Reforms in work styles and increasing job satisfaction

To promote a highly productive work style, we have adopted a basic policy of reducing long work hours and are promoting various measures. These include turning off all lights at 8:00 p.m. to encourage employees to go home earlier, gradually lowering the upper limit of the 36 Agreement, improving employees' knowledge and awareness of labor management, and encouraging employees to take paid holidays once a month as well as refreshment leave.* To promote these measures, we also revamped our attendance system in April 2024.

* Paid holidays with welfare allowance, which employees can take every five years of employment

Selected as a Health & Productivity Stock by the 2024 Health and Productivity Stock Selection



In March 2024, Toyota Tsusho, in recognition of our efforts to build a foundation for each employee to maintain and improve one's health and, by doing so, having achieved measurable improvements in employee performance, was selected by the Health & Productivity Stock Selection for the fourth consecutive year from among the companies listed on the Tokyo Stock Exchange for its strategic effort in addressing employee health from a management perspective.

5. Respect for human rights

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.

Related Links [<Global Code of Conduct & Ethics \(10 creeds\)>](#)

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

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.

Examples of Major Initiatives

Human Rights Policy

- We position this policy as our highest-level policy regarding human rights. This policy was reported to the Board of Directors meeting of Toyota Tsusho Corporation on March 29, 2022.
- We inform suppliers of the Supply Chain Sustainability Behavioral Guidelines and ask them to put the guidelines into practice to further clarify our common understanding of sustainability, including our Group Human Rights Policy.

Human Rights Due Diligence

We promote human rights due diligence based on the United Nations Guiding Principles on Business and Human Rights while taking into account the opinions of internal and external experts. Following our Human Rights Policy and Supply Chain Sustainability Behavioral Guidelines, we strive to identify and prevent or mitigate any negative impact on human rights that our corporate activities may have.

We conduct human rights due diligence from two perspectives: initiatives for the employees of Toyota Tsusho and consolidated subsidiaries; and initiatives for our supply chains.

● Process



5 - Respect for human rights

● Initiatives for the Employees of Toyota Tsusho and Consolidated Subsidiaries

Since the fiscal year ended March 31, 2023, we have been putting in place a system to conduct human rights risk assessments once a year for all consolidated subsidiaries through our Check 10 activities, which involve risk assessment, analysis, and improvement on a consolidated basis. The results of the assessments are reported to the Integrated Risk Management Committee, a company-wide meeting body that examines risk management status on a global basis, creating a system for company-wide monitoring. The human rights risk assessment is conducted using a questionnaire based on the opinions of internal and external experts and evaluates the management of human rights risks such as occupational health and safety, wages, and working hours, focusing on the four human rights issues of forced labor, child labor, discrimination, and freedom of association and the right to collective bargaining, while taking into account issues unique to our business and other relevant considerations.

Although no serious human rights issues requiring immediate action have so far been identified through this process, we will continue and strengthen our efforts to mitigate human rights risks. Appropriate procedures and dialogue will be used to address and remedy any negative impact on human rights or involvement in such impact if identified.

The status of this process and the results of the assessment are reported to the Sustainability Management Committee.

● Initiatives for our supply chains Identifying

- Addressing Issues Based on Risk Assessments

We conduct risk assessments of our supply chains, and, for suppliers in high-risk fields and regions, we implement questionnaire surveys and on-site inspections by third-party specialist organizations to identify and prevent or mitigate negative impacts on human rights.

In the fiscal year ended March 31, 2024, we conducted risk assessments of our corporate group's approximately 6,000 suppliers and identified approximately 250 suppliers in fields and regions with high human rights risks. Questionnaires and on-site surveys are being conducted with these suppliers in sequence. Currently, no serious human rights issues requiring immediate action have been identified.

Main Survey Items

1 . Forced labor	6 . Abuse and harassment
2 . Child labor	7 . Working hours
3 . Safe and healthy working environment	8 . Suitable remuneration
4 . Freedom of association	9 . Anti-corruption
5 . Discrimination	10 . Sustainable sourcing

● Identifying and Addressing Issues Based on Recommendations from external experts

We identify human rights issues through dialogue with external specialist organizations. In 2024, we received a recommendation from an external specialist organization regarding the identification of issues in the logistics industry and the monitoring of the status of our response to these issues.

We have been working with Hacobu, Inc. to overcome challenges in the logistics industry by utilizing logistics big data, and based on the above recommendation, we implemented engagement with domestic logistics companies. As a result of this engagement, we were able to gain a deeper understanding of the issues facing the logistics industry. To further contribute to solving these issues, in 2024 we began holding regular meetings with our major domestic consolidated subsidiaries to share issues and consider responses.

Going forward, we will also reach out to our corporate group's suppliers and customers to contribute to solving various issues in the logistics industry across the entirety of our supply chains.

5 - Respect for human rights

Grievance Mechanism (Establishment and Operation of a Consultation Desk)

● Consultation Desk for Supply Chains

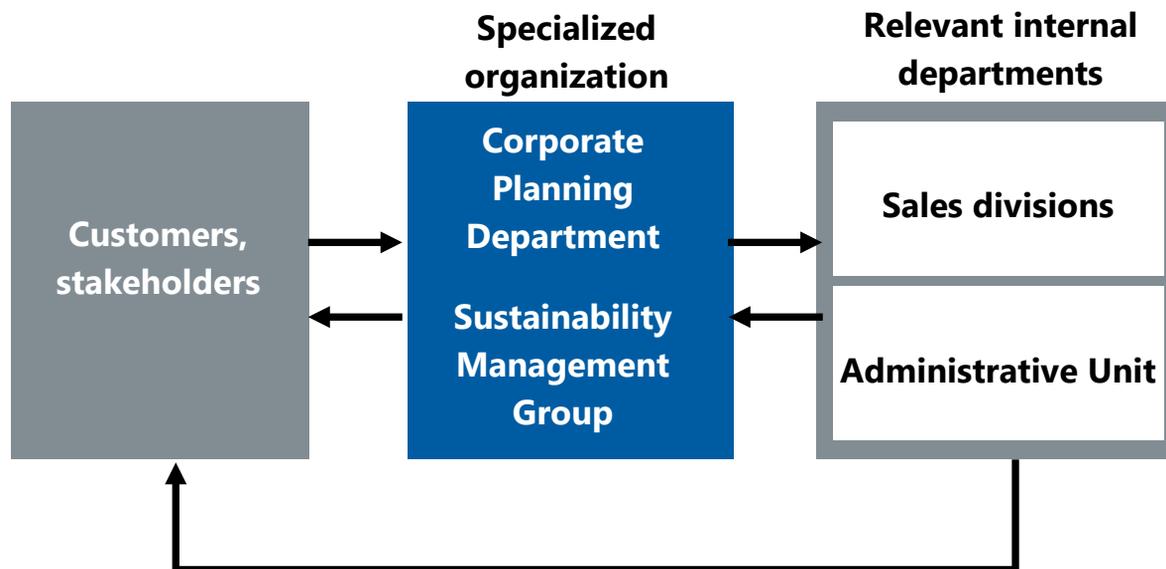
In the fiscal year ended March 31, 2024, we became a regular member of the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), which provides an “Engagement and Remedy Platform” in accordance with the United Nations Guiding Principles on Business and Human Rights. This platform allows any stakeholder in the supply chain to report violations or suspected violations of international and national codes of conduct. By accepting grievances through third-party channels, we strive to ensure fairness and transparency, promote dialogue and redress more than ever, and remedy identified affected parties. When receiving reports, we ensure the anonymity of the person making the report and the confidentiality of the report.

Reference: JaCER Grievance Platform(<https://jacer-bhr.org/en/application/index.html>)

Periodic updates of information in response to the report through JaCER, including the nature of the report and its status, will be disclosed on the website of JaCER while ensuring the anonymity of whistleblowers.

● Establishment of an Inquiry Page for Sustainability

Regardless of the content of the complaint, we have established a system to accept opinions and requests via the inquiry page on our corporate website. The opinions and requests we receive are shared with the relevant in-house departments through a specialized organization and are linked to initiatives aimed at solving issues.



● Education and Training for Our Employees

We provide training on human rights for all employees of our corporate group. In the fiscal year ended March 31, 2024, we held study sessions on human rights due diligence in-house and at consolidated subsidiaries and provided e-learning to all Toyota Tsusho employees.

5 - Respect for human rights

Indicator and Result

Number and type of grievance filed	(Case)		
	2021	2022	2023
Harassment	1	7	11
Work environments	0	0	1
Others	0	0	3

Harassment Consultation Desk and Whistleblowing System

Toyota Tsusho has set up a Harassment Consultation Desk internally and externally for consultations on sexual harassment, abuses of authority, discriminatory expressions, and other human rights-related issues occurring in the workplace. The consultation desk takes into consideration the protection of the privacy of not only the person doing the consulting but also the perpetrator, and if necessary, verifies the facts and takes appropriate measures, such as responding appropriately and taking preventative measures.

In addition to the Harassment Consultation Desk, the Toyota Tsusho Group has set up an internal reporting desk where employees can report any concerns they may have about COCE violations, including harassment and human rights violations. In November 2017, the whistleblowing system was expanded and extended from its previous form, in which reporting was only possible through internal reporting lines and external lawyers, by adding a dedicated external reporting line. The new line offers multilingual support (currently in more than 150 languages) and makes it easier for employees to report or consult on matters related to COCE violations, including all forms of corruption and human rights violations, by providing a global service with greater anonymity and confidentiality. To ensure independence from management, all whistleblowing incidents and the status of response are reported to Audit & Supervisory Board members (including outside auditors) and a system has been established that allows whistleblowers to report directly to Audit & Supervisory Board members (including outside auditors).

Under the Whistleblower Protection Act and internal regulations, we strictly prohibit any detrimental treatment of whistleblowers who report in good faith and those who cooperate with investigations.



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)		
	2021	2022	2023
Disciplinary dismissal	0	0	0
Others	2	1	5

Percentage of employees who have completed training on compliance and ethics	(%)		
	2021	2022	2023
	100	100	100

Activities to Raise Compliance Awareness

To ensure compliance with specific laws and regulations that must be observed in the day-to-day work of executives and employees, Toyota Tsusho offers various training courses and seminars. These include mandatory e-learning programs and compliance events held in conjunction with Japan's Business Ethics Month in October promoted by Keidanren (the Japan Business Federation). Such events allow us to review the status of regulatory compliance to ensure thorough observance of laws, regulations, and corporate ethics.

2 - Costs

Indicator and Result

Total workforce costs	(Millions Yen)		
	2021	2022	2023
	41,169	41,042	43,115

3 - Organizational health, safety and well-being

Indicator and Result

Lost time for injury	(Hours)		
	2021	2022	2023
	0.00	0.00	0.00

Percentage of occupational accidents	(%)		
	2021	2022	2023
	0.00	0.00	0.00

Percentage of people killed during work	(%)		
	2021	2022	2023
	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.

Average overtime work per month	(Hours)		
	2021	2022	2023
	23.7	21.8	22.1

Absenteeism	(%)		
	2021	2022	2023
Physical cause	0.19	0.25	0.38
Mental cause	0.48	0.52	0.61

* 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)		
	2021	2022	2023
Members of the board and executive	58	57	57
Employees	3,648	3,630	3,629

* No part-time staff employed

Full-time equivalents (FTE)	(FTE)		
	2021	2022	2023
Calculated using our standard working hours of 7.75	2,796	2,700	2,697
Calculated using the general standard working hours of 8.00	2,709	2,688	2,613

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 Rol	(Millions Yen)		
	2021	2022	2023
	4.17	3.44	5.26

Calculation Formula

Human capital Rol = Ordinary income / Human capital cost

EBIT per employee and profit per employee	(Millions Yen)		
	2021	2022	2023
EBIT per employee	63	53	84
Profit per employee	69	44	92

* 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)		
	2021	2022	2023
	75.8	71.2	73.4

Average time to fill vacant critical business positions	(Days)		
	2021	2022	2023
	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.

Turnover rate	(%)		
	2021	2022	2023
	4.4	5.2	4.1

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	(%)		
	2021	2022	2023
	2.2	2.9	1.8

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



HCProduce

HC Produce Inc.
SPACES Otemachi, Otemachi Building 2F floor,
1-6-1, Otemachi, Chiyoda-ku, Tokyo

To Toyota Tsusho Corporation,

ISO 30414 Reaudit Results Notification

HC Produce Inc. (“HCPro”), as an Independent Assessment Body, through the following processes (1) to (4) in accordance with the International Standard on Human Capital Disclosure: ISO 30414, reaudited the conformity of Toyota Tsusho Corporation (Toyota Tsusho, non-consolidated) with ISO 30414 on data, systems, statements, and strategies certified by HCPro and Human Capital Management Institute, LLC (“HCMI”) on 31 October 2022.

- (1) Interviews with Toyota Tsusho’s leadership teams and employees
- (2) Assessment of Toyota Tsusho’s data contents, guidelines, and systems
- (3) Assessment of Toyota Tsusho’s statements clarifying strategies and internal guidelines
- (4) Assessment of Toyota Tsusho’s external and internal reports for each metric of ISO 30414

In our opinion, the data, statements, systems, and strategies referred to above fairly, in all material respects, the position of Toyota Tsusho as of 28th August 2024 results of their managements of Human Capital reporting, ended in conformance with ISO 30414 (Certification expiry date: 31st October 2025).

保坂 駿介

HC Produce Inc.
CEO Shunsuke Hosaka
August 28th 2024

 **TOYOTA TSUSHO CORPORATION**

9-8, Meieki 4-chome, Nakamura-ku, Nagoya 450-8575, Japan

TEL: +81-52-584-5000

EMAIL: ttc_hp@pp.toyota-tsusho.com

URL: <https://www.toyota-tsusho.com/english/>