

# Strengthening of Sustainable Management

“Connect. Deliver the future via green logistics”

“Through co-creation and fair business activities, help create a society that ‘leaves no one behind’”



Now, when society as a whole is facing many urgent issues, such as climate change, labor shortages, human rights, inequality, and COVID-19, it is becoming increasingly important that corporations also diligently face these issues and participate in resolving them.

The Yamato Group is promoting sustainability management based on Sustainable Medium-Term Plans 2023, which set out specific actions to be taken to address each important material issue (materiality) and targets to be achieved by 2023 in order to achieve long-term targets, such as our environmental and social visions for a sustainable future and virtually zero greenhouse gas emissions by 2050.

## Sustainability Promotion System

We established a dedicated department to oversee the Groupwide promotion of sustainability. Additionally, we deployed personnel responsible for sustainability at each Group company to promote sustainability management Groupwide.

With the president as chairman and members comprising the general managers of each business division and function division of Yamato Transport and the presidents of major Group companies, the

Yamato Group Environment Committee and the Yamato Group Social Promotion Committee meet once a year and share information about and discuss issues related to sustainability. Additionally, key agenda items are appropriately discussed and resolved at Management Committee meetings and Board of Directors meetings.



## Pursuit of Sustainable Management

### Identifying Material Issues

To improve the corporate value of the Yamato Group over the medium to long term and realize a sustainable society, we have identified important, priority material issues to be addressed through the following process.

#### STEP 1 Refine Choices for Material Issues

Based on international frameworks, such as the GRI Standards, the Sustainability Accounting Standards Board (SASB), ISO 26000, and the Sustainability Development Goals (SDGs), as well as ESG research items that investors consider to be of high importance to the Group's business, we considered the risks and opportunities of the Group's business based on performance data and refined our choices for material issues (materiality) that will contribute to increasing the corporate value of the Yamato Group, as well as create a sustainable society.

#### STEP 2 Hold Stakeholder Dialogues (Implemented in November 2019)

We listened to our stakeholders' opinions on the choices for material issues (materiality) refined in STEP 1 and held stakeholder dialogues to confirm their validity.

### Formulating the Transformation Plan "YAMATO NEXT100"

On January 23, 2020, the Yamato Group announced its grand design for its management over the medium to long term, the transformation plan "YAMATO NEXT100."

This plan will focus on structural reforms, including "sustainability initiatives under the theme 'management embodying the environment and society,'" one of the infrastructure reforms, to realize a sustainable society.

#### Environmental Vision Connect. Deliver the future via green logistics

The Yamato Group will further promote its vision of "Connect. Deliver the future via green logistics." By leveraging cutting-edge connections between data, people, and resources, we will increase the efficiency of transportation and provide delivery services that are better for the planet, our customers' lifestyles, and the economy. We will also support a strong, smart society by striving toward virtually zero greenhouse gas emissions\*1 and by creating business models based on sustainable resource use and consumption.

\*1 In-house emissions (Scope 1 and Scope 2)

#### Social Vision Through co-creation and fair business activities, help create a society that "leaves no one behind"\*2

As a social infrastructure company, the Yamato Group will contribute to improving the quality of life of various people, including employees and customers, by reducing and eliminating various inequalities and obstacles in society. We will do this by delivering goods and value to everyone through fair and efficient business processes.

By promoting digital innovation and our strengths offline, as well as co-creation with various partners, we will be a leader in solving social challenges and creating a society that leaves no one behind.

\*2 To leave no one behind: Basic philosophy of the SDGs

# Sustainable Medium-Term Plans 2023

We formulated Sustainable Medium-Term Plans 2023 in January 2021 to strengthen the Yamato Group's sustainable management.



Details on Sustainable Medium-Term Plans 2023 can be found on our corporate website.

[https://www.yamato-hd.co.jp/english/assets/pdf/2021\\_03\\_news.pdf](https://www.yamato-hd.co.jp/english/assets/pdf/2021_03_news.pdf)

For ESG-related numerical results, please see "ESG Data."

<https://www.yamato-hd.co.jp/english/csr/esg/performance.html>



## Medium-Term Environmental Plan 2023

We formulated targets for total volumes of emissions and for areas in which the logistics industry can contribute to the widespread use of innovative technologies, such as materials and vehicles, to drastically reduce the environmental burden of business activities. We will target initiatives and business opportunities in collaboration with diverse partners to increase the resilience of customers, partners, and local communities, and to create environmental value.

Materiality	Overview	Main Targets (Fiscal year ending March 31, 2024)	Related SDGs
<p>Energy &amp; Climate Mitigate climate change</p>	Reduce greenhouse gas emissions by using electricity generated via renewable energy sources, enhancing transportation efficiency through the utilization of digital technology, and reducing the use of dry ice, etc.	<ul style="list-style-type: none"> <li>Reduce greenhouse gas emissions by 10% compared with the fiscal year ended March 31, 2021*1</li> <li>Reduce greenhouse gas emission intensity by 10% compared with the fiscal year ended March 31, 2021*1,2</li> <li>Use 30% of electricity generated via renewable energy sources</li> </ul>	
<p>Atmosphere Clean up the skies (prevent air pollution)</p>	Pursue transportation that reduces the effects of air pollutants emitted by vehicles and cleans up skies in local communities	<ul style="list-style-type: none"> <li>Reduce NOx and PM emissions from vehicles by 25% compared with the fiscal year ended March 31, 2021*3</li> <li>Introduce vehicles that emit fewer air pollutants</li> </ul>	
<p>Resource Conservation &amp; Waste Promote resource conservation and reduce waste</p>	Drastically reduce environmental burden and promote the use of technology and create opportunities for minimizing environmental impact	<ul style="list-style-type: none"> <li>Use 55% renewable resources and recycled materials for paper materials*4</li> <li>Reduce landfill disposal rate (final disposal rate) to 5% or less*5</li> <li>Provide products utilizing recycled materials and resource saving materials</li> </ul>	
<p>Resilience of Companies &amp; Society Support a society that combats environmental changes</p>	Collaborate with diverse partners to increase resilience of stakeholders and local communities and create environmental value	<ul style="list-style-type: none"> <li>Advance green logistics in collaboration with our business partners</li> <li>Collaborate with society to improve environmental resilience (conduct demonstrations of vehicles that use renewable energy and electric vehicles that increase resilience and share information about mitigating climate change)</li> <li>Provide environmentally friendly products and services*6</li> </ul>	

### Reinforce Environmental Management

## Medium-Term Social Plan 2023



We included initiatives that meet international standards and needs in the plan to achieve an enriched society through our business activities. These targets also cover labor and human rights, and we endeavor to respect diverse personnel and create a working environment that enables employees to play an active role. Furthermore, we engage in resolving social issues together with the supply chain and local communities.

Materiality	Overview	Main Targets (Fiscal year ending March 31, 2024)	Related SDGs
<p>Labor Create a work environment where employees can thrive</p>	Implement a high-value-added model for labor and promote "decent work"	<ul style="list-style-type: none"> <li>Improve operating revenue per employee (through high-value-added work)</li> <li>Reduce overtime for employees by 20% compared with the fiscal year ended March 31, 2021</li> <li>Ensure annual paid leave utilization rate is 90% (achieve work-life balance)</li> </ul>	
<p>Human Rights &amp; Diversity Create a corporate culture that respects human rights and diversity</p>	Respect human rights, recognize diversity, and create a framework for human rights due diligence	<ul style="list-style-type: none"> <li>Ensure 100% attendance rate at human rights training for all employees</li> <li>Ensure percentage rate of employees with disabilities is 2.5%</li> <li>Double number of female managers (executives) compared with the fiscal year ended March 31, 2021 and ensure 10% of all managers are female</li> </ul>	
<p>Safety &amp; Security Create initiatives to carry out business in a safe and secure manner</p>	Maintain traffic and labor safety and provide reliable service	<ul style="list-style-type: none"> <li>Achieve zero serious traffic accidents (fatal traffic accidents for which the Company is responsible)</li> <li>Reduce number of traffic accidents (where bodily injury occurs) by 50% compared with the fiscal year ended March 31, 2020</li> <li>Achieve zero serious occupational diseases (work-related deaths)</li> <li>Reduce frequency of lost workday injuries by 20% compared with fiscal year ended March 31, 2020*7</li> </ul> <p>Note: All items are for consolidated companies in Japan and Swan Co., Ltd.</p>	
<p>Data Utilization &amp; Security Create an information security infrastructure</p>	Create an information security infrastructure and create businesses that utilize data to resolve social issues	<ul style="list-style-type: none"> <li>Develop an infrastructure for creating businesses that utilize data to resolve social issues</li> <li>Achieve zero serious information security incidents</li> <li>Ensure 100% deployment of information security managers at major organizations and 100% implementation of training for information managers*8</li> </ul>	
<p>Supply Chain Management Develop a common understanding with stakeholders</p>	Build a stable business infrastructure through sound, resilient supply chains	<ul style="list-style-type: none"> <li>Complete creation and demonstration of monitoring framework</li> </ul>	
<p>Community Create corporate citizenship activities that are rooted in local communities and create a framework for business creation</p>	Establish corporate citizenship activities that are unique to the Yamato Group. Create a business model that revitalizes local economies	<ul style="list-style-type: none"> <li>Complete creation of a framework to measure effectiveness of corporate citizenship activities and business in resolving social issues</li> </ul>	

\*1 In-house emissions of consolidated companies in Japan and Swan Co., Ltd. (Scope 1 & Scope 2)

\*2 tCO<sub>2</sub>e/operating revenues of ¥100 million

\*3 The range refers to Yamato Transport Co., Ltd.

\*4 Paper materials refer to cardboard for shipping, pickup and delivery materials, etc.

\*5 Equivalent to reduction by half compared with the past

\*6 Products and services with environmental value and a low burden on the environment

\*7 Number of work-related fatalities and injuries from accidents at worksites resulting in at least one lost day of work per million working hours

\*8 For Yamato Transport Co., Ltd.



# Environmental Strategies for Realizing a Sustainable Society

In order to achieve corporate management that works in harmony with the environment, the Yamato Group will strive to understand and reduce the environmental impact of its business and create environmental value that contributes to the development of society.

To realize our environmental vision of "Connect. Deliver the future via green logistics," we will challenge ourselves to resolve identified material issues. We set zero greenhouse gas (GHG) emissions (in-house emissions) as a long-term target, with specific awareness of the importance of the risks and opportunities presented by climate change. In addition to reducing the environmental impact of our business, we are pursuing services that help reduce GHG emissions, making proposals for deregulation, and cooperating with local governments. In these ways, we are making serious efforts to mitigate and adapt to climate change.



## Yamato Group Environmental Policy

We carry out business activities that contribute to environmental conservation in line with our environmental policy. We established the Yamato Group Environmental Policy in 2021 with an awareness of our responsibility as a part of social infrastructure, as set out in our Management Philosophy. The policy, which was established through decisions made by the Board of Directors and reflects the

opinions of our stakeholders, including employees and experts, is a commitment that demonstrates the intentions of the Yamato Group. Based on this policy, as a sustainable part of social infrastructure we will implement initiatives on a daily basis that support an enriched society in the future.

### Yamato Group Environmental Policy

The Yamato Group pursues business activities that contribute to the protection of the environment as a company working toward the well-being and enrichment of society in the future. As part of a sustainable social infrastructure, we provide environmentally friendly goods and services, protect the earth's environment, which is the basis of life for present and future generations, and contribute to the realization of the well-being and enrichment of society.

- 1. Reduction of Environmental Burden and Prevention of Pollution
- 2. Provision of Sustainable Goods and Services
- 3. Environmental Management and Compliance
- 4. Collaboration and Communication

For details on the Yamato Group Environmental Policy, please refer to the our corporate website.  
<https://www.yamato-hd.co.jp/english/csr/esg/policy.html#anc-08>

## Initiatives Based on Recommendations of the TCFD

The Yamato Group continually identifies and evaluates the risks, opportunities, and impacts associated with climate change, in recognition of its importance on increasing corporate value over the medium to long term and realizing a sustainable society. Furthermore, the Group engages in enhancing information disclosure based on the recommendations of the TCFD.\* Going forward, we will conduct scenario analysis, to be reflected in business plans under Medium-Term Environmental Plan 2023, as

well as confirm the operation and effectiveness of internal carbon pricing and consider its use as an investment indicator to promote low-carbon investment. Our goal is to be a company that grows alongside society by leveraging our business to mitigate and adapt to climate change while managing risks, creating opportunities, and helping to realize a low-carbon society.

\* TCFD: Task Force on Climate-related Financial Disclosures, which was established by the Financial Stability Board (FSB)

### Governance

The Yamato Group has established an environmental management system under the supervision of its Board of Directors, with the Yamato Group Environment Committee

as the main decision-making body, which deliberates, makes decisions, and supervises with regard to environmental issues, including climate change. The president serves as

chairperson of the Yamato Group Environment Committee and reports important matters discussed by the committee to the Board of Directors, as the overall supervisor responsible for the environmental management system.

Executive officers in the environmental field, directors of business divisions and function divisions, and presidents of Group companies are responsible for ensuring the

### Strategy

The Yamato Group holds discussions to identify and assess Groupwide climate-related risks, opportunities, and financial impacts, as well as management approaches and strategies.

Under Medium-Term Environmental Plan 2023, which was formulated in January 2021, we set medium-term environmental targets and specific actions to be taken. Based on this plan, we will promote initiatives to reduce GHG emissions by using electricity generated via renewable energy sources, enhance transportation efficiency by utilizing digital technology, and reduce the use of dry ice,

### Risk Management

The Board of Directors deliberates on the identification of material issues (including climate) and the Group's vision; long-term targets, including the reduction of GHG emissions; and Medium-Term Environmental Plan 2023 (targets and strategies). Performance with respect to environmental targets, such as progress in the reduction of GHG emissions; the status of the response to environmental issues, including climate transition risks; compliance with laws and regulations; audit results; and plans for the next fiscal year are reported to Environment Committees at each level (attended by the above management team members and executives) for monitoring, supervision, and evaluation, in accordance with the Group's corporate governance system. Specifically, these matters are reported from the frontline, organizational level Environment Committee, which meets

implementation, maintenance, and supervision of environmental management, and also responsible for conditions for enabling execution, which involves preparing necessary management resources, among other duties. As a general rule, all managers and heads of frontline organizational structures are also responsible for managing environmental risks and opportunities, including climate, as environmental managers.

among other initiatives. We also plan to implement scenario analysis based on numerous climate change scenarios in the fiscal year ending March 31, 2023. We will utilize the results when considering business strategies and these results will be reflected in our next management plan.

For details on climate-related risks and opportunities, expected impacts, management, and our strategy, please refer to the our corporate website.  
<https://www.yamato-hd.co.jp/english/csr/environment/tcf.html>

four times a year, to the Division Environment Committee (four times a year); the environment committees of each Group company (once a year); the Yamato Group Environment Subcommittee, which discusses the four environmental issues (three times a year); and the Yamato Group Environment Committee (once a year). These reports are also subject to top management reviews by the president and are reported to the Board of Directors for supervision. In this way, we appropriately manage environmental risks, including climate change risks, in Companywide management processes. We also regularly review the effectiveness of environmental management and strive for continual improvement by holding stakeholder dialogues and incorporating the opinions of employees and experts in the decision-making process, among other methods.

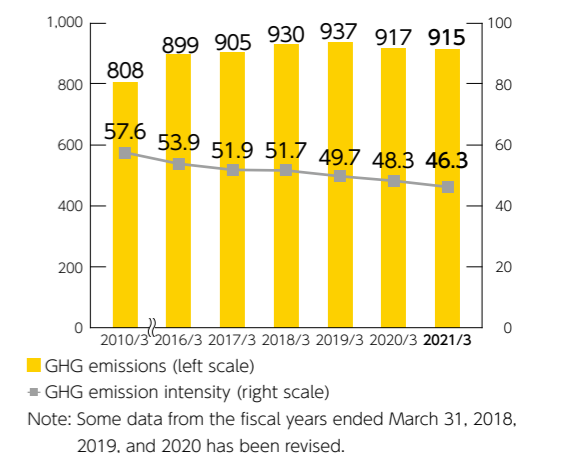
### Indicators and Targets

To mitigate the risks of climate change and expand opportunities, the Yamato Group has set targets to reduce its medium- to long-term GHG emissions. To achieve our medium-term targets, we will utilize electricity generated via renewable energy sources, optimize transportation by making full use of digital technology, and reduce the use of dry ice for refrigerating packages, among other initiatives.

- **Long-Term Targets:**  
Achieve virtually zero GHG emissions by 2050\*1
- **Medium-Term Targets:**  
Reduce GHG emissions by 10%\*2 compared with the fiscal year ended March 31, 2021  
Reduce GHG emission intensity by 10%\*2 compared with the fiscal year ended March 31, 2021  
Use 30% of electricity generated via renewable energy sources

\*1 In-house emissions (Scope 1 and Scope 2) \*2 In-house emissions of consolidated companies in Japan and Swan Co., Ltd. (Scope 1 and Scope 2)

**GHG Emissions/GHG Emission Intensity**  
 (Thousand tCO<sub>2</sub>e) (tCO<sub>2</sub>e/operating revenues of ¥100 million)



## Environmental Strategies for Realizing a Sustainable Society

### Highlights

#### ▶ Low-Carbon Transition for Transportation and Offices

The Yamato Group is advancing the reduction of its GHG emissions through a shift toward the use of vehicles with lower GHG emissions, such as hybrid vehicles and EVs (electric vehicles), and the heavy use of electric power-assisted vehicles and hand-pushed trolleys for pickup and delivery services in urban areas (as of March 2021, the Yamato Group owns approximately 4,100 electric bicycles, approximately 4,200 hybrid vehicles, and 570 electric vehicles). During the two-year period between the fiscal year ended March 31, 2020 and the fiscal year ended March 31, 2021, we introduced 500 small-sized, commercial-use EVs, which can be driven without a medium-sized vehicle driver's license. Going forward, we will aim to replace 5,000 vehicles, half of our small-sized pickup and delivery vehicles, with EVs by 2030.

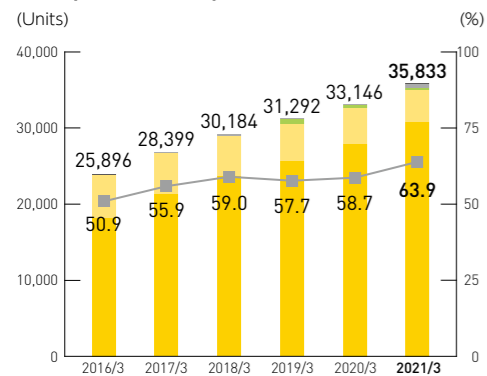
Additionally, we will continue to perform field tests of new EVs and FCVs (fuel cell vehicles), including medium-sized trucks for long-distance travel, with other industries, carry out investigations and collaborative research into automated mobility with the aim of realizing low-carbon transportation and preventing air pollution, and implement a modal shift (rail and sea transports).

Other initiatives for reducing GHG emissions include installing LED lights in buildings, switching to electricity generated via renewable energy sources, and reducing the use of dry ice for refrigerating packages.



Medium-sized commercial-use EV

#### The Number of Environmentally Friendly Vehicles Owned (Consolidated Group Companies in Japan)



■ New long-term compliance vehicles  
 ■ Hybrid vehicles ■ Liquefied petroleum gas (LPG) vehicles  
 ■ Electric vehicles (EVs)  
 ■ Compressed natural gas (CNG) vehicles  
 \* Percentage of low-emission vehicles among all Yamato Transport vehicles (right scale)

#### Introduction of Low-Carbon Vehicles

▶ 2018: 100 EVs



▶ 2020: 570 EVs



▶ 2030 (target): 5,000 low-carbon vehicles



#### Compact Mobile Refrigerator D-mobico

Yamato has collaborated with DENSO CORPORATION to develop a compact, lightweight, portable refrigerator. The shape and dimensions of the thermal boxes can be selected depending on cargo size and the amount being delivered, making it possible to respond flexibly to various delivery needs. Powered by a mobile battery, D-mobico does not require dry ice, nor does it draw energy from the engine to refrigerate its freight.

This helps reduce GHG emissions and improves the vehicle's fuel efficiency.



Sales driver using D-mobico



### Highlights

#### ▶ Establishment of New Green Innovation Development Department to Respond to Climate Change across the Supply Chain

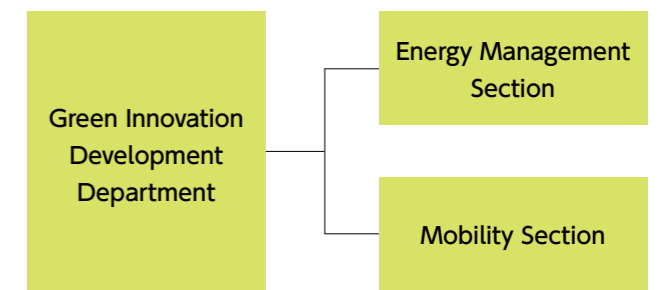
In October 2021, Yamato Transport established the new Green Innovation Development Department with the aim of achieving carbon neutrality by 2050. Within the department, we established the Energy Management Section and the Mobility Section to promote green logistics through measures such as reducing GHG emissions.

The Green Innovation Development Department will engage in solving social issues through methods including the introduction of EVs and renewable energy sources, which we will promote as sustainable initiatives. It will engage in resolving issues related to not only Yamato's GHG emissions but also climate change across the entire logistics industry.

The Energy Management Section examines the utilization of energy-saving technology and the use of electricity generated via renewable energy sources, in addition to working to reduce the Yamato Group's GHG emissions.

The Mobility Section engages in the research, demonstration, and implementation of the latest technologies, starting with mobility.

The Yamato Group, led by the Green Innovation Development Department, is working toward the target of virtually zero GHG emissions by 2050 and will continue to promote environmentally friendly initiatives, not only within Yamato but also across the whole logistics industry and society.



Naoto Ozawa

Green Innovation Development Department  
 Manager of Mobility Section

#### Issues Identified in the Introduction of EVs and the Way Forward

Since our introduction of EVs in 2013 and the subsequent experience we have accumulated through their operation, the Yamato Group has come to understand the various issues associated with further expanding the introduction of EVs in the transportation industry.

One issue is that vehicles must be easy to work in and practical for the driver, in addition to being environmentally friendly, if they are to be sustainable. With this in mind, we will continue working together with car manufacturers on this issue.

Another issue, is the concern regarding the impact on Japan's energy system, such as the repercussions of the increase in electricity consumption on the power system and the hurdles for transport companies, including the burden of the charging infrastructure necessary when introducing EVs and the rising cost of procuring renewable energy as demand increases in the future. Against this background, the Green Innovation Development Department, together with our transportation and delivery partners, will continue to promote various initiatives for achieving green logistics throughout Japan, in addition to measures such as the introduction of energy-saving technology and EVs and the use solar power and other renewable energy sources.



# HR Management That Supports the Shift to an “Innovating Delivery Business”

The Yamato Group’s greatest asset is its 220,000 employees. Our strength as a group can only increase if we create a working environment where each employee can hone and fully display their individual capabilities. Under the new One Yamato management structure, we are promoting the creation of a framework that enables human resources who face customers on the front line, lead the Group, and are responsible for specialized fields, to play an active, rewarding role and that enables the Yamato Group to focus on initiatives for sustainable growth.



## Promotion of HR Strategies That Support the Shift to an “Innovating Delivery Business”

### 1. Development of frontline human resources to reinforce our frontline capabilities

To further enhance the job satisfaction of frontline employees, we are striving to clarify the roles required of each employee and to promote the creation of a framework for evaluating and promoting leaders by clearly visualizing the results achieved in relation to these roles. Additionally, we are promoting the creation of a framework that supports the front line from the perspective of recruitment, training, and business process re-engineering (BPR) in order to create customer-facing time for employees and further reinforce frontline capabilities.

### 2. Creation of an HR system to develop specialized human resources linked with management structural reform

We are striving to create an HR system that enables the necessary specialized human resources to perform at a high level in order to thoroughly reinforce our core logistics business and create new businesses for sustainable growth.

### 3. Introduction of a talent management system and strengthening of mid-career hires

We have introduced and are promoting the utilization of a talent management system in order to maximize the performance of each employee in line with their career progression and to objectively identify any shortages that can be filled by mid-career hires.

### 4. Creation of academy and training structure

We have launched an academic organization that has deployed 120 internal instructors and are promoting the creation of a training structure to function as the core of human resource development at the Yamato Group. We are aiming to enhance our organizational capabilities through the reinforcement of education based on position, with a focus on executives, and professional training in each business domain, including specialized human resources.

Additionally, we launched an original digital training program, which aims to raise the digital literacy of all employees, including management, and to accelerate the training of human resources in the digital domain.

### 5. Reinforcement of sustainability measures, which focus on labor, human rights, and diversity issues

To build an organization where each employee can create cross-organizational partnerships, perform at a high level, and feel a sense of satisfaction, we are improving the working environment from the perspective of being employee-friendly and rewarding and are promoting the creation of a workplace that ensures good communication.



## Highlights

### ▶ Launch of Yamato Digital Academy to Train Human Resources in the Digital Domain

In the fiscal year ending March 31, 2022, we launched the Yamato Digital Academy (YDA) training program, which aims to raise the digital literacy of employees, including management, and accelerate the training of human resources in the digital domain.

We aim to realize data-driven management by holding

lectures on a training curriculum based on position for select employees from each division of Yamato Transport. Going forward, we will sequentially develop this training program at each Group company and plan to hold lectures for approximately 1,000 Group employees over a three-year period.

#### Curriculum for All Employees

Comprises programs for basic DX (digital transformation) training, digital data application, etc.

**Target:** leaders of all divisions,\* corporate units, regional branches, etc.

#### Curriculum for Management

Comprises programs for analysis of management resources essential for DX, risk awareness improvement, etc.

**Target:** management, including the president, and management executive candidates

#### Curriculum for DX Training

Comprises programs for improving IT skills, as well as business design, architecture, data science, and other skills

**Target:** employees of the Digital Function Division

\* Employees selected from the Retail Business Division, the Corporate Business Division, the Global SCM Business Division, the EC Business Division, the Transport Function Division, the Platform Function Division, and the Professional Service Function Division

## ▶ Sustainable Medium-Term Plans 2023: Key Targets

### Labor

**Improve operating revenue per employee**  
(through high-value-added work)

Overtime hours per employee  
**-20%**  
compared with the fiscal year ended March 31, 2021

Annual paid leave utilization  
**90%**  
(enabling work-life balance)

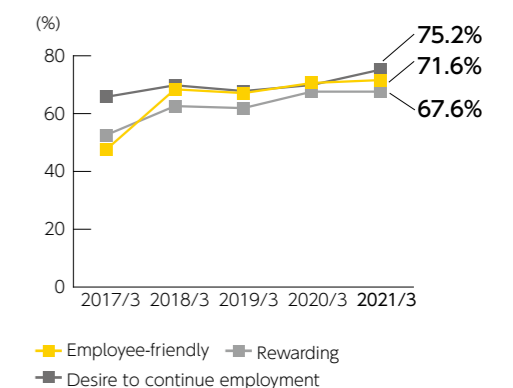
## Highlights

### ▶ Working Styles Awareness Surveys

We have been conducting Working Styles Awareness Surveys for employees across the Yamato Group to understand the current working environment and make improvements.

There was an overall improvement of figures in the survey for the fiscal year ended March 31, 2021. While the workload and the stresses of infection prevention may have increased as a result of a sudden increase in customer demand due to the impact of the spread of COVID-19, an increase in the “employee-friendly” response is believed to be a result of management sending messages to employees and the appropriate establishment and support of the business structure. Additionally, the increase in positive responses regarding “desire to continue employment” was believed to be a result of the impact of an increase in pride in work, business, and the Company due to the increase in social needs during the COVID-19 pandemic. Going forward, we will continue to strive to create a working environment in which we can become an employee-friendly and rewarding company for employees.

### Working Styles Awareness Survey



## HR Management That Supports the Shift to an “Innovating Delivery Business”

### ► Sustainable Medium-Term Plans 2023: Key Targets

#### Human Rights & Diversity

Attendance at human rights training for all employees <b>100%</b>	Percentage rate of employees with disabilities <b>2.5%</b>	Number of female managers (executives) <b>Double</b> the number compared with the fiscal year ended March 31, 2021 and ensure <b>10%</b> of all managers are female
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#### Highlights


### ► Human Rights Due Diligence

We are endeavoring to create a working environment that is employee-friendly and rewarding by improving working styles.

Additionally, we have implemented human rights due diligence based on the UN Guiding Principles on Business and Human Rights to make this more widespread both inside and outside the Yamato Group. We are working to identify Groupwide human rights risks by holding stakeholder dialogues with external experts. We formulated the Yamato Group Human Rights Policy in 2021 with the aim of realizing an enriched society as set out in our Management Philosophy. We will strengthen our initiatives for respecting human rights based on this policy, which sets out the Yamato Group’s intention to respect human

rights and the actions to take to achieve this. In the fiscal year ended March 31, 2021, we implemented sustainability management training regarding human rights for a total of 574 managers and executives (managerial personnel) to further encourage the understanding of human rights. They learned about human rights trends overseas and the level of human rights due diligence required by other companies. By the fiscal year ending March 31, 2024, we will expand this human rights training to all employees.

Furthermore, we are participating in the Human Rights Due Diligence Working Group held by Global Compact Network Japan and are endeavoring to create a human rights due diligence system within the Yamato Group.

 Please see the our corporate website for details on the Yamato Group Human Rights Policy.  
<https://www.yamato-hd.co.jp/english/csr/esg/policy.html>

### ► Promotion of Advancement for Female Employees

Since 2017, we have implemented women leaders meetings for all female employees and have sent employees to female cross-industry training and training with external groups. Additionally, we will continue aiming to create a

working environment across the entire Yamato Group where women can play an active role by holding supervisor sessions to train female subordinates and further support their advancement, among other efforts.



Women leaders meeting



Supervisor sessions

## Measures for Safety and Peace of Mind That Support Sustainable Growth

The Yamato Group owns a large number of vehicles and uses public roads as its principal place of business. For that reason, the Group’s operations have a major impact on society, and we thus place significant importance on ensuring the safety of local communities. Additionally, traffic safety is considered to be a part of the occupational safety of the employees who drive our vehicles.

Based on its stance of respecting human life and ensuring safety, as laid out in the Group Corporate Philosophy and Corporate Stance, the Group thoroughly adheres to its philosophy of placing safety first and business second in the workplace, positioning respect for human life as a priority at all times. Our partner companies and business partners also share our philosophy of respecting human life and ensuring safety and endeavor to ensure safety in all of their business activities.

We are promoting occupational health and safety initiatives to provide even better services for customers based on the stance that the safety and health of the over 220,000 employees that support the Yamato Group, in addition to transportation safety, is the foundation for the sustainable growth of the Group. Furthermore, we are committed to improving service quality to ensure customer satisfaction.



### — Promotion of Transportation Safety Management

Based on the Yamato Group’s Safety Management Regulations, each Group company has established a safety management structure. Guided by the leadership of its top management, the Group has set up an organizational management structure involving collaboration between those on the transportation front lines and those in administrative divisions in order to enhance the effectiveness of its transportation safety management. Each company where transportation safety management is

implemented regularly conducts top management reviews, reflects on business performance and results, identifies any problems or issues, and makes improvements accordingly. Also, in regard to important information on such matters as serious transportation-related accidents, the Group maintains a framework for sharing such information with the Corporate Division of Yamato Transport, which oversees the Group, in an effort to promote transportation safety on a Groupwide level.

### ► Sustainable Medium-Term Plans 2023: Key Targets

#### Safety & Security

Number of serious traffic accidents (fatal traffic accidents for which the Company is responsible) <b>Zero</b>	Number of traffic accidents <b>-50%</b> compared with the fiscal year ended March 31, 2020	Number of serious occupational diseases (work-related deaths) <b>Zero</b>	Frequency of lost workday injuries* <b>-20%</b> compared with the fiscal year ended March 31, 2020
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Note: For consolidated companies in Japan and Swan Co., Ltd.

\* Number of work-related fatalities and injuries per million working hours

#### ► Performance

	2017/3	2018/3	2019/3	2020/3	2021/3
No. of serious traffic accidents*1	3	1	1	2	4
No. of serious work-related accidents*2	0	1	1	0	0

\*1 Deaths from traffic accidents (including accidents for which driver was responsible)

\*2 Deaths from work-related accidents



## Measures for Safety and Peace of Mind That Support Sustainable Growth

### Initiatives for Ensuring Safe Transportation

The Yamato Group takes the occurrence of serious incidents extremely seriously and the Safety Department of the Corporate Division is at the center of promoting initiatives for ensuring even greater safety. We are working to improve the frontline working environment across each business division and function division through efforts including the creation of a system for training safety experts and the enhancement of safety training. At the same time, we are promoting the integration of Groupwide standards and frameworks for safety management.

#### Compliance with laws and creation of a working environment that ensures safety

- ▶ Introduction of tools that support appropriate safety management operations that adhere to laws, such as roll calls and daily inspections
- ▶ Unification of signage in stores and promotion and periodic risk assessment of the 2Ss (*seiri*, or organization, and *seiton*, or tidiness)
- ▶ Avoidance of risks on a regional basis through introduction and inspection of safety equipment

#### Implementation of safety training enhanced by experts and managers

- ▶ Training after entry to the Company and after one year of work

- ▶ In-house license system
- ▶ Regular ride-along guidance by safety experts and managers
- ▶ Training based on driver aptitude examinations (once every three years)
- ▶ Training that utilizes equipment such as dash cams
- ▶ Creation of a safety guidance skills test and safety guidance system for safety experts

#### Implementation of campaigns and initiatives aimed at enhancing safety awareness

- ▶ Campaigns to ensure zero traffic accidents
- ▶ In-house driving contest (Yamato Transport Nationwide Safety Meet)\*
- ▶ Campaigns to prevent occupational diseases
- ▶ Child traffic safety classroom\*
- ▶ Commendation awards for zero traffic accidents
- ▶ Acquisition of "G mark" (Motor Truck Transportation Business Operator Safety Assessment Project)

\* During the fiscal year ended March 31, 2020, these were not carried out in light of the COVID-19 pandemic.



Traffic safety training video

#### Highlights

### Implementation of Safety Guidance Skills Test and Further Reinforcement of Safety Guidance System

We launched a safety guidance skills test at Yamato Transport in the fiscal year ended March 31, 2020 to create a system that enables efficient safety guidance by enhancing the safety guidance skills of safety experts and helping them maintain a certain level of skill. The safety experts attend seminars that develop knowledge, skills, and leadership capabilities and the test assesses their retention

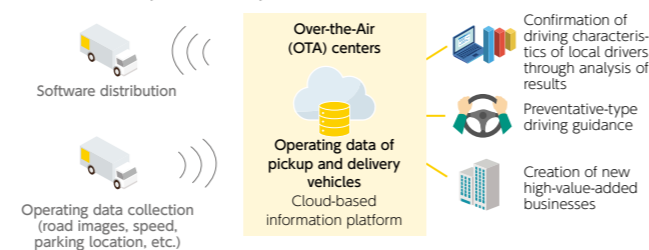
of the safety guidance knowledge and skills acquired during training. Additionally, from September 2021, we further reinforced the safety guidance system and improved and unified safety training by transferring safety leaders who have completed the safety guidance skills test and fulfill certain standards to the expert personnel system.

### In-Vehicle Terminals with Communication Functions That Integrate Dash Cams and Digital Tachographs

Yamato Transport is equipping all pickup and delivery vehicles with integrated in-vehicle terminals that gather operating data, such as road images collected from dash cams and driving routes created through information obtained from GPS antennas, as well as the conventional digital tachographs that collect information such as speed and parking location. The operating data collected is automatically transferred and stored in real time via communication lines to a cloud-based information platform. Furthermore, we have enabled our sales drivers to focus on safer driving through the realization of automated recordings of near-miss experiences, a laborsaving setting to start and end recording when driving, and automated updates of software on terminals. By visualizing and analyzing operating data that is centrally managed through in-vehicle terminals, safety

experts and other personnel can gain a more detailed understanding of the driving characteristics of each sales driver and realize even more detailed preventative-type training for safe driving that is tailored to each driver's driving characteristics.

#### Nationwide Pickup and Delivery Vehicles (With In-Vehicle Terminals Installed)

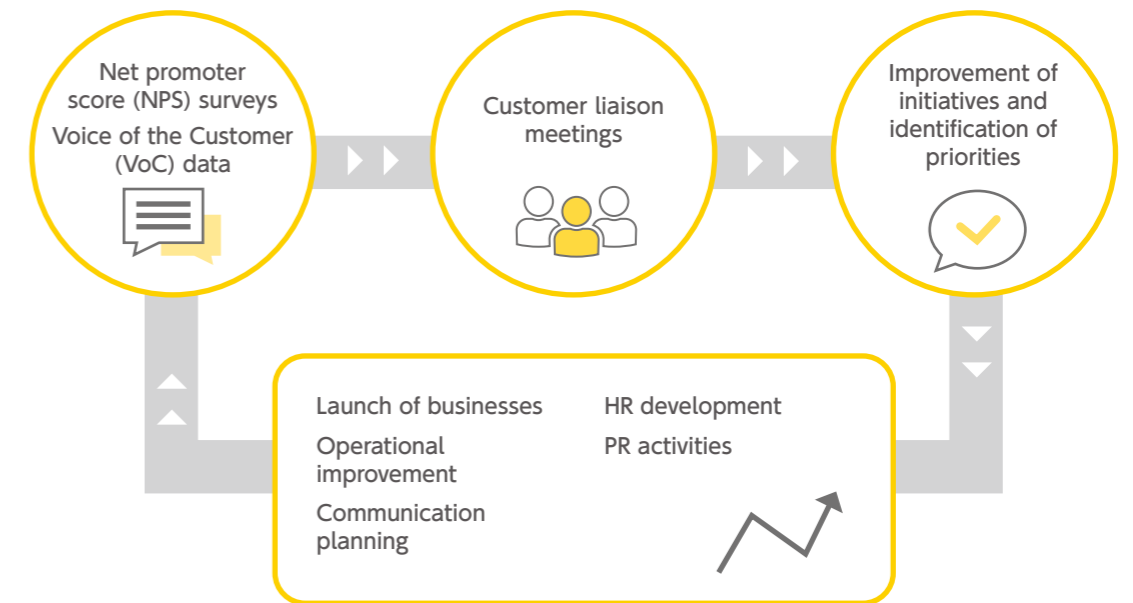


### Quality Management

At the Yamato Group, we are promoting strategies, such as being more customer driven and improving data utilization, to further improve customer experiences. By maintaining and improving service quality from the perspective of both consumers and corporate clients and meeting their expectations, we hope to achieve our aim of

continuing to have the highest quality rating.

We use evaluations by each customer and expectations of corporate clients as the starting point for a Groupwide improvement cycle to enhance customer service evaluations and the value we provide.



#### Understanding of Customer Evaluations through Net Promoter Score (NPS) Surveys

We utilize NPS,\* which is an indicator for measuring customers' degree of attachment to and trust in a company or brand and how likely they are to recommend it, to visualize our relationship with customers and improve engagement. At Yamato Transport, we investigate evaluations from individual and corporate customers centered on three perspectives: issues related to our Company, comparisons with competitors, and the norms of society, which play a role in improvements.

\* NPS\* (net promoter score) is a customer loyalty index that measures and quantifies how much loyalty (including trust, attachment, and favorable impression) customers have toward our products and services.

#### Creation of Voice of the Customer (VoC) Database

We are creating an integrated database to comprehensively analyze customer opinions and evaluations acquired through NPS surveys; inquiries by telephone, email, or chat applications; and digital logs. Additionally, we are able to visualize the understanding and analysis of current circumstances by linking with business intelligence (BI) tools and identifying areas that need improvement.

#### Customer Liaison Meetings

At customer liaison meetings led by management, we share details of customer evaluations of the Yamato Group as a whole, as well as complaints and requests, to formulate and prioritize measures to improve customer experiences.