Sustainable Medium-Term Plans 2023

The Yamato Group formulated details of specific actions to take in response to material issues and targets to be achieved by 2023 that aim to accomplish its two visions for a sustainable future. We aim for the sustainable development of society and business by implementing these measures in our business activities.

Materiality	Related SDGs	Overview	Main Fiscal Targets (Fiscal year ending March 31, 2024)
Energy & Climate Mitigate Climate Change	7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 13 CLIMATE ACTION	**Reduce greenhouse gas emissions by using electricity generated via renewable energy sources, enhancing transportation efficiency by utilizing digital technology, and reducing use of dry ice, etc.**	▪ Reduce greenhouse gas emissions by 10% compared with the fiscal year ending March 31, 2021[1] ▪ Reduce greenhouse gas emission intensity by 10% compared with the fiscal year ending March 31, 2021[1,2] ▪ Use 30% of electricity generated via renewable energy sources
Atmosphere Clean Up the Skies (Prevent Air Pollution)	3 GOOD HEALTH AND WELL-BEING; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Pursue transportation that reduces the effects of air pollutants emitted by vehicles and cleans up skies in local communities**	▪ Reduce NOx and PM emissions from vehicles by 25% compared with the fiscal year ending March 31, 2021[5] ▪ Introduce vehicles that emit fewer air pollutants
Resource Conservation & Waste Promote Resource Conservation and Reduce Waste	3 GOOD HEALTH AND WELL-BEING; 6 CLEAN WATER AND SANITATION; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 15 LIFE ON LAND; 17 PARTNERSHIPS FOR THE GOALS	**Drastically reduce the environmental burden and promote use of technology and create opportunities for minimizing environmental impact**	▪ Use 55% renewable resources and recycled materials for paper materials[6] ▪ Reduce landfill disposal rate (final disposal rate) to 5% or less[7] ▪ Provide products utilizing recycled materials and resource saving materials
Resilience of Companies & Society Support a Society That Combats Environmental Changes	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 15 LIFE ON LAND; 17 PARTNERSHIPS FOR THE GOALS	**Collaborate with diverse partners to increase resilience of stakeholders and local communities and create environmental value**	▪ Advance green logistics in collaboration with our business partners ▪ Collaborate with society to improve environmental resilience ▪ Provide environmentally friendly products and services[12]

Reinforce Environmental Management

▪ Maintain and improve effectiveness of environmental management system (improve management levels)

*1 In-house emissions of consolidated companies in Japan and Swan Co., Ltd. (Scope 1 & Scope 2)
*2 tCO₂e/operating revenues of ¥100 million
*3 Overseas. Scope 1 & Scope 2
*4 Automated mobility such as autonomous driving and truck platooning

*5 The range refers to Yamato Transport Co., Ltd.
*6 Paper materials refer to cardboard for shipping, pickup and delivery materials, etc.
*7 Equivalent to reduction by half compared with the past
*8 Overseas. All other items in Japan

▶ Medium-Term Environmental Plan 2023
Moving Forward, "Connect. Deliver the Future via Green Logistics" the Yamato Group's Individual-Driven Environmental Reforms

Details

Low-carbon transportation/offices: Introduce low-carbon technology
- Reduce greenhouse gas emissions by 3% compared with the fiscal year ending March 31, 2023[*3]
- Continue field tests of new electric vehicles (EVs) and fuel cell vehicles (FCVs) (including medium-sized trucks for long-distance travel) with other industries
- Carry out investigations and collaborative research into automated mobility[*4] with the aim of realizing low-carbon transportation and preventing air pollution
- Reduce the use of dry ice to refrigerate packages: Substitute with 13,000 mechanical cold boxes and 1,200 refrigerator trucks

Low-carbon transportation/offices: Enhance operational efficiency
- Visualize operational status and enhance transport efficiency based on data by fully leveraging digital technologies. Promote eco-driving

- Promote modal shifts: 180 units for rail and sea transports
- Conduct demonstration tests of a model delivery center that uses 100% renewable energy
- Consolidate touch points (locations) and install LED lights

Measure energy and optimize energy management
- Reinforce energy management

Conduct financial analysis and promote low-carbon investment
- Analyze scenario and reflect in financial planning (reflect in next medium-term plan)
- Put internal carbon pricing (ICP) into operation, confirm effects, and consider use as an investment indicator

Reduce air pollutant emissions from transportation
- Carry out investigations and collaborative research into automated mobility[*4] with the aim of realizing low-carbon transportation and preventing air pollution

Reduce use of resources, reduce waste, and recycle
- Reduce amount of paper material used by 3% compared with the fiscal year ending March 31, 2021
- Reduce landfill waste volume (final disposal volume) by 3% compared with the fiscal year ending March 31, 2021
- Reduce waste volume intensity by 3% compared with the fiscal year ending March 31, 2021
- Raise recycling rate to over 80%
- Reduce amount of resources used, reduce waste volume, and promote recycling[*8]

Use renewable resources, recycled materials, and less plastic
- Use 7% renewable resources/recycled materials for containers/packaging materials[*9]
- Promote the use of recycled materials for packaging[*8,10]

Develop reusable materials and provide framework for material sharing usage[*11]
- Promote the practical application of materials for reuse and provide transportation with shared reusable materials
- Launch a model for sharing reusable materials and expand user base

Reduce water usage and improve water quality
- Reduce water consumption intensity by 3% compared with the fiscal year ending March 31, 2021
- Advance water reuse and water quality conservation
- Advance activities to reduce volume of water used[*8]

Collaborate with society to improve environmental resilience
- Reinforce resilient logistics to support mitigation and adaptation measures

Engage in environmental communication
- Reinforce information distribution through enhanced disclosure and holding information sessions. Hold dialogues with investors and relay the content within the Company
- Enhance information disclosure according to recommendations of the Task Force on Climate-related Financial Disclosure (TCFD)
- Enhance risk communication
- Establish ourselves as an environmentally friendly company. Create an atmosphere where environmental initiatives can be used to encourage sales/communication

Advance green logistics in collaboration with our business partners
- Work with our transportation partners to understand their greenhouse gas emissions, accumulate data, and implement a system to support improvement
- Compliance with environment-related laws and management: Provide environmental certification for partner companies and suppliers, and support improvement

- Implement environmental accounting (Group companies in Japan)
- Enhance development of human resources with deep knowledge of the environment (environmental education) and grant incentives

*9 Containers/packaging materials include packaging used for shipping and cushioning materials
*10 Overseas logistics/moving-related services
*11 External
*12 Products and services with environmental value and a low burden on the environment

Sustainable Medium-Term Plans 2023

Materiality	Related SDGs	Overview	Main Fiscal Targets (Fiscal year ending March 31, 2024)
Labor Create a work environment where employees can thrive	SDGs 3, 4, 8	**Implement a high-value-added model for labor and promote "decent work"**	■ Improve operating revenue per employee (through high-value-added work) ■ Reduce overtime for employees by 20% compared with the fiscal year ending March 31, 2021 ■ Ensure annual paid leave utilization rate is 90% (achieve work–life balance)
Human Rights & Diversity Create a corporate culture that respects human rights and diversity	SDGs 5, 8, 10, 16	**Respect human rights, recognize diversity, and create a framework for human rights due diligence**	■ Ensure 100% attendance rate at human rights training for all employees ■ Ensure percentage rate of employees with disabilities is 2.5% ■ Double number of female managers (executives) compared with the fiscal year ending March 31, 2021 and ensure 10% of all managers are female
Safety & Security Create initiatives to carry out business in a safe and secure manner	SDGs 3, 8, 9, 10, 11, 12	**Maintain traffic/labor safety and provide reliable service**	■ Achieve zero serious traffic accidents (fatal traffic accidents for which the Company is responsible ■ Reduce number of traffic accidents (where bodily injury occurs) by 50% compared with the fiscal year ended March 31, 2020 ■ Achieve zero serious occupational diseases (work related deaths) ■ Reduce frequency of lost workday injuries by 20% compared with fiscal year ended March 31, 2020
Data Utilization & Security Create an information security infrastructure	SDGs 9, 11, 12, 17	**Create an information security infrastructure and create businesses that utilize data to resolve social issues**	■ Develop an infrastructure for creating businesses that utilize data to resolve social issues ■ Achieve zero serious information security incidents ■ Ensure 100% deployment of information security managers at major organizations and 100% implementation of training for information managers
Supply Chain Management Develop a common understanding with stakeholders	SDGs 8, 12, 17	**Build a stable business infrastructure through sound, resilient supply chains**	■ Complete creation and demonstration of monitoring framework
Community Create corporate citizenship activities that are rooted in local communities and create a framework for business creation	SDGs 3, 4, 8, 9, 10, 11, 12, 17	**Establish corporate citizenship activities that are unique to the Yamato Group. Create a business model that revitalizes local economies**	■ Complete creation of a framework to measure effectiveness of corporate citizenship activities and business in resolving social issues

*1 For consolidated companies in Japan   *2 For offices covered by the Yamato Group Health Insurance Association   *3 For consolidated companies in Japan and Swan Co., Ltd.

▶ Medium-Term Social Plan 2023
Through co-creation and fair business activities, help create a society that "leaves no one behind"

Details

Consider a high-value-added model for labor by promoting optimization and labor saving and improving the work environment through the utilization of technology and digital transformation
- Reinforce personnel and labor measures aimed at achieving "decent work" through implementing employee awareness surveys and improve survey scores[1]
- Establish fair working conditions regardless of employment status (equal pay for equal work)[1]
- Establish a diverse, flexible employment system depending on job type, role, etc.[1]
- Establish an environment where employees can work comfortably[1]
- Create employee welfare measures in order to maximize the effectiveness of human resources[1]

Create a work environment where employees can thrive and play an active role by improving personnel systems, developing individual skills, and placing the right person in the right position (promote "decent work")
- Launch educational organization and create new training structure[1]
- Increase time spent in training by expanding opportunities for uniform training based on position and developing training for all employees[1]
- Ensure 100% attendance rate for specific health checkups[2]

Create initiatives for business activities that do not violate human rights and foster a corporate culture that respects human rights
- Create a framework for human rights due diligence and complete demonstrations (level where we can set monitoring indicators after fiscal 2025)
- Carry out labor-related human rights risk assessments, as well as revision/improvement activities (focused particularly on foreign employees)
- Reinforce harassment prevention measures

Create an environment where diversity is respected and diverse employees can play an active role
- Understand the issues faced by employees who are experiencing LGBT-related difficulties and create a work environment in which employees can reach out to others
- Understand the issues faced by foreign employees and create a work environment where no one is left behind in the workplace
- Implement active support for female employees
- Share internal best practices regarding employment and advancement of people with disabilities and roll out these best practices on a Groupwide basis
- Develop LGBT-related points of contact and create consultation service for employees

Create initiatives in order to carry out business in a safe and secure manner and establish a safe work culture
- Carry out annual Groupwide management review (traffic safety[1] and occupational safety and health[3])
- Attain 100% attendance rate at traffic safety training for drivers and managers[1]
- Nurture mentors and implement in-house training based on mentors[1]
- Implement safety measures utilizing technology-based hardware[1]
- Attain 100% attendance rate at occupational health and safety training by all employees (full-time and part-time workers)[3]
- Decide on occupational health and safety policies[3]

- Create a management system (create system, develop procedure manual, gather information on figures, create framework for monitoring, conduct thorough audits, etc.)[3]

Create an internal infrastructure to realize a society with zero stakeholder dissatisfaction (stress)
- Perfect the definition of reliable service and create implementation policies/evaluation standards to provide such service[4]
- Create a system/framework to assess the status of providing reliable service and complete demonstrations (internal assessment[4])
- Begin to disclose information regarding the status of providing reliable service[4]

Note: For consolidated companies in Japan and Swan Co., Ltd.

Develop an infrastructure for creating businesses that utilize data to resolve social issues
- Improve data governance
- Put data management into practice
- Improve data quality
- Identify issues through data analysis and visualization and examine the social outcomes of resolving these issues

Create an information security infrastructure to support the shift to data-driven management
- Attain 100% attendance rate at information security training for all employees (full-time and part-time workers)
- Begin deployment of incident sharing tools for business partners (part-time workers, *Kuroneko Mate*, pickup and delivery consignment, temporary workers, and subcontractors) at our offices
- Create a PDCA cycle for consistent personnel and technical measures (create Groupwide rules/frameworks with the aim of preventing recurrence of information security incidents)
- Expand training content and tools

Note: All items are for consolidated companies in Japan and Swan Co., Ltd. except for yamato Transport Co., Ltd.

Formulate a common understanding with internal and external stakeholders
- Select key suppliers for periodic monitoring and communicate with suppliers at least once every three years
- Select key employees (departments) responsible for in-house implementation and implement training at least once every three years

- Create a system to monitor the status of our business partners
- Share information with clients and hold periodic explanations and reviews (reinforce communication)

Note: All items are for consolidated companies in Japan and Swan Co., Ltd

Establish corporate citizenship activities that are rooted in local communities and are unique to the Yamato Group
- Undertake corporate citizenship activities that enrich local communities (equivalent to 1% of annual revenues)
- Establish in-house rules (evaluation standards, reporting lines, etc.)
- Create environment that promotes volunteer work (volunteer leave, information sharing environment, rules for participation, etc.)

Create an in-house environment for business creation
- Complete creation of new business development system aimed at resolving social issues
- Consider what kind of business we should be as an integral member of an ideal society
- Manage internal data comprehensively (external information, internal know-how, etc.) and consider methods and projects
- Hold training on social issues and social trends (SDGs, etc.)

Note: All items are for consolidated companies in Japan and Swan Co., Ltd.

*4 For Yamato Transport Co., Ltd.