

# We Are Committed to Becoming a Company Most Loved and Trusted by Society

Web edition



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# Message to Stakeholders



## **We Are Committed to Becoming a Company Most Loved and Trusted by Society**

**Yutaka Nagao**

Representative Director,  
President and Executive Officer Yamato Holdings Co., Ltd.

Since our founding, the Yamato Group has achieved growth by providing valuable services that address new needs born from the changing times, driven by its constant focus on the demands and expectations of its customers and society. There is no mistaking that the foundation of our growth is marked by the sound development of society and the relationships of trust built with stakeholders.

Having reached the milestone of our 100th anniversary, the Yamato Group has begun working on reforms aimed at future growth. In the next 100 years, I believe that a company's involvement and solutions to environmental and social issues facing the world will be critical. The Yamato Group, which has been fostered by its stakeholders to become a company that serves as an important component of social infrastructure, will continually identify its responsibilities to society and carry out activities to live up to everyone's trust. Therefore, first we will identify material issues after correctly understanding the impacts our business activities have on the environment and society. Next, through our businesses, we will strive to solve international issues and attain targets set out in the Paris Agreement and Sustainable Development Goals.

As a company leading the development of a sustainable society, the Yamato Group focuses on management in harmony with the environment. We will pursue environmentally friendly logistics, and in particular use energy and resources more efficiently in transport and at our facilities, as well as provide products and services that reduce environmental impacts. Through these measures we aim to realize a low-carbon and resource recycling society.

The Yamato Group's most important asset is our 220,000-strong workforce. I believe that a core aspect of management is providing a safe work environment where all employees can recognize each other's contributions and feel a sense of job satisfaction. As a result, these measures form one of the most important aspects of our medium-term management plan called KAIKAKU 2019.

In addition, our businesses are built atop cooperation with various business partners. Through positive communication with these stakeholders, we are carrying out business activities across the entire supply chain that pays due consideration towards the environment, human rights, and labor practices.

In April 2014, the Yamato Group signed the UN Global Compact, an international initiative, as part of the globalization of its business activities. Since then we have stated our commitment to uphold the 10 principles across the four areas of human rights, labor, environment and anti-corruption. We are now carrying out management closely in tune with these principles.

I stand committed to addressing various environmental and social issues with a responsibility to the sustainable growth of the Yamato Group and society. I will focus on corporate management that paves the way for the future in order to be a company that will be continually chosen by stakeholders.

Yutaka Nagao  
Representative Director, President and Executive Officer Yamato Holdings Co., Ltd.

# CSR Management

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\* CSR: Corporate Social Responsibility

## CSR Vision

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As a company that provides an important public service and grows together with society, the Yamato Group aims to become a company most loved and trusted by society.

With the company precepts established in 1931 as a foundation, we formulated the Yamato Group Corporate Philosophy comprising the management philosophy, corporate stance, and employee code of conduct.

The Yamato Group's CSR vision entails achieving sustainable growth together with society by realizing our management philosophy through our corporate stance cited in the Yamato Group Corporate Philosophy and our own individual actions as a member of society.

## CSR Promotion System

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We have established a dedicated department at Yamato Holdings for overseeing the entire Group's CSR promotion efforts. In addition, CSR managers are appointed at each Group company to promote CSR activities across the entire Group.

The Global Environmental Committee comprised of CSR managers from major Group companies convenes quarterly to share information and discuss a wide range of issues covering not only the environment, but society in general. Important items are then reported to the Management Committee or Board of Directors for further discussion and resolution, when needed.

## Main Areas of Initiatives

The Yamato Group's initiatives focus predominantly on safety, environment, and society given the unique nature of its business and impacts on society.

Please see each section below for details of our initiatives.

**Safety** With respect for human life as our top priority, we are always striving to achieve safety.

**Environment** Under the key word "Necology," we are creating environmentally friendly logistics.

**Society** We aim to earn the trust and respond to expectations of stakeholders.

### Initiatives to Achieve the SDGs

The Yamato Group supports international initiatives for building a sustainable society. Toward this end, we became a signatory of the UN Global Compact in April 2014.

The Sustainable Development Goals (SDGs) adopted by the UN in September 2015 represent a set of common targets for the international community to achieve together by 2030. The Yamato Group is now working through its businesses to solve the many urgent social issues facing the world indicated in the SDGs.

Note: Our main initiatives in safety, environment and society are presented on each page related to their corresponding SDGs.



# 1 Initiatives for Working Style Reforms

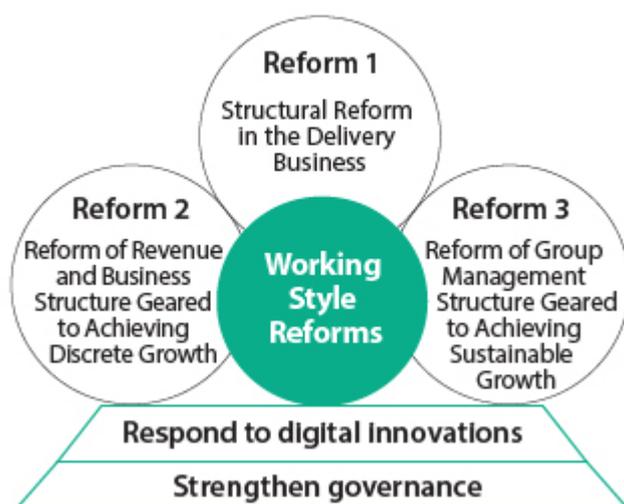
Feature Article

The Yamato Group's Greatest Asset is its People. Our Goal is to Develop a Workplace Where Each and Every Employee Can Thrive to Ensure We are the Clear Choice of Customers.

## Promoting Working Style Reform Initiatives as a Top Priority for Strengthening Our Management Foundation

In September 2017, we established a new medium-term management plan called KAIKAKU 2019 for NEXT100, with the goal of becoming a company capable of sustainable growth into the future by firmly maintaining its business foundation centered on the TA-Q-BIN business, which has become a critical aspect of social infrastructure, in response to the rapid changes in social environment and diversifying needs of society as of late. The focal point of the Yamato Group's management under this plan is working style reforms.

### ▼ General View on the Medium-Term Management Plan - "KAIKAKU2019 for NEXT100"



The Yamato Group's greatest asset is its workforce numbering around 220,000 people. By building a sound working environment together with employees where everyone can take pride in their work and feel comfortable and a sense of purpose, we will be able to continually provide even better services to our customers. On this our 100th anniversary, these reforms are essential for the Yamato Group's sustainable growth over the next 100 years. We are now working on a number of initiatives aimed at this.



## Three Policies

To ensure employees are comfortable and feel a sense of purpose, we must not only make changes to our personnel system and working environment, but also enhance employee training, promote diversity, and review our services and operations.

Toward this end, the Yamato Group will combine efforts at the Group-wide level and efforts tailored to the unique traits of each operating company, under three basic policies. This will accelerate reforms across the entire Group and further enhance our competitiveness.

### ▼ Yamato Group's three policies for working style reforms



Policy 1 **Make new working styles a reality**

Policy 2 **Maximize "individual capabilities"**

Policy 3 **Thoroughly streamline operations**

### Policy 1 **Make new working styles a reality**

We will secure a labor force by making our personnel system more attractive to a diverse pool of talent.

#### 1 **Drastically reduce total working hours**

We will reduce the overtime work of full-timers by 50% and significantly cut back on overtime work of part-timers.

#### 2 **Adopt personnel systems that enable working styles tailored to an individual's stage of life**

We will build systems where employees can choose their working hours, days off and compensation system.

#### 3 **Develop programs that enable part-time employees (temporary and permanent) to enhance their abilities**

#### 4 **Promote work-life balance**

We will encourage employees to take annual paid leave, promote use of the work interval system, and expand childcare assistance programs, etc.

#### 5 **Enhance organizational structure that reaches every employee**

Policy **2** Maximize "individual capabilities"

We will increase employee involvement in management to create pride and purpose in their work, by redeveloping training systems and introducing evaluation systems that assess independence and autonomy and enable employees to thrive.

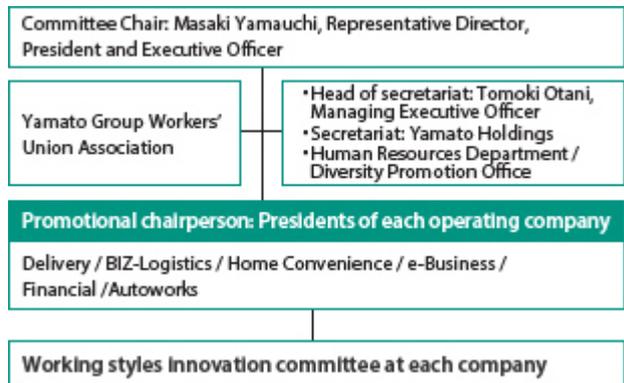
- 1 **Establish an educational system centered on Kuroneko Academy**  
We will establish a rank-based training system and develop the leaders of tomorrow.
- 2 **Set up a framework for leveraging the opinions of employees in management**
- 3 **Encourage the active role of overseas, elderly, and female employees through the further promotion of diversity**
- 4 **Realize an employment ratio for persons with disabilities of 2.5%**

Policy **3** Thoroughly streamline operations

We will expand open-type parcel lockers called PUDO (Pick Up & Drop Off) Station, enhance efficiency of pickup and delivery operations through the 8th NEKO System, and fully leverage technologies such as AI and robotics to thoroughly streamline operations that are the foundation of a comfortable workplace.

**Yamato Group  
Establishment of Working Styles  
Innovation Committee**

We established the Yamato Group Working Styles Innovation Committee, which is chaired by the president of Yamato Holdings, in April 2017 with the aim of moving forward with reforming working styles on a Group-wide basis. The committee has laid out "observance of compliance," "promotion of diversity," and "work process revision and enhancement and communication" as its three main principles and is promoting efforts to realize these principles through collaboration between management and labor unions.



As of March 2019



## Main Initiatives

The Yamato Group is implementing the following main initiatives for reforming working styles.

### Strengthening Management Structure

#### **April 2017-** Revising Rules for Managing Working Hours and Digitizing Building Exit and Entry Data (Yamato Transport)

To manage working hours in an easy-to-understand and highly transparent manner, Yamato Transport transitioned from rules stipulating that working hours be managed via mobile terminals to rules that establish the time employees arrive at and leave the office as their working hours. Starting from August 2017, the time employees start and finish work has been digitized and determined by registering building entry and exit times via a tablet device.

#### **April 2018-** Reorganizing Regional Branches into 88 Branches (Yamato Transport)

To strengthen the foundation of the Delivery Business through such means as maintaining and improving the quality of services we offer our customers, recruiting new talent, and cultivating our employees, we reorganized the management structure of our regional branches, which act as the core of our regional management across Japan. Through this reorganization, we established 17 new regional branches.

### Revitalizing Communication and Promoting Diversity

#### **March 2017-** Supporting Career Development through the Female Leaders Meeting (Yamato Group)

With the aim of supporting career development, the Yamato Group has held the Female Leaders Meeting—a Groupwide program that encourages female employees to achieve self-fulfillment—a total of nine times, with 260 employees participating. The meeting gives participants a chance to consider their own career path and helps enhance their motivation. In addition, the Group conducts training for the supervisors of meeting participants to teach ways to develop the careers of female employees, which heightens the program's effectiveness.



Female Leaders Meeting

**June 2017-** | **Sharing Insights between the President, Executive Officers, and Employees at Panel Discussions (Yamato Group)**

The Yamato Group holds panel discussions at all Group companies on a continuous basis in order to realize even better working styles. These discussions provide an opportunity for the Group's president and executive officers to directly communicate the purpose and vision behind "Reforming Working Styles" to Group employees. At the same time, these discussions allow employees on the front lines to directly communicate their opinions and proposals for improving work processes to the president and executive officers.



Panel discussion

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## Introducing New Working Styles

**March 2017 and gradually onward** | **Implementing a Work Interval System (Yamato Logistics, Yamato Transport, etc.)**

To ensure employees have ample time for their private life and sleep, and to establish a working environment that promotes work-life balance, Yamato Logistics, Yamato Transport, and other Group companies have introduced a system whereby employees are required to take a certain amount of time off between their checkout time and their check-in time the following day.

**May 2018-** | **Expediting the Process for Sales Drivers to Become Permanent Employees (Yamato Transport)**

Yamato Transport has revised its process for promoting full-time sales drivers to permanent employees with the aim of establishing a working environment that offers employees peace of mind and securing human resources on a continuous basis. Up until now, employees were hired as contract workers and promoted to permanent positions after going through an in-house "challenge" system, a process that took approximately two years. Yamato Transport has revised this process and is now hiring new talent immediately as permanent employees.

**May 2018-** | **Implementing a Personnel System for "Anchor Cast" employees (Yamato Transport)**

To reform the working styles of its sales drivers and secure its pickup and delivery capacity, Yamato Transport has implemented a personnel system for "Anchor Cast" employees (drivers for early evening and night deliveries).

**May 2018-** | **Introducing a System Allowing Transition to Permanent Employment Contracts (Yamato Transport)**

To create a working environment where employees can work with even greater peace of mind, Yamato Transport has introduced a system that allows full-time employees on fixed-term contracts who have worked continuously for over three years to transition to permanent employment contracts ahead of the five-year period designated by law. This system can also be used by part-time employees on fixed-term contracts who have met certain requirements under Yamato Transport's internal "step up" system.\*

\* A system that evaluates employees' individual skills and approach to work and promotes them to higher positions in accordance with their level of growth.

September  
2018-

## Introducing a System Allowing Employees to Choose Number of Work Days and Work Hours (Yamato Transport)

To establish an environment in which employees can continue to work with peace of mind, Yamato Transport has introduced a system that targets employees who wish to limit their number of work days and work hours because of personal circumstances such as raising children, providing nursing care, or managing the loss of physical strength due to aging. Under this system, employees can choose the number of hours they work in a day, anywhere from four to eight. In addition, these employees can select the number of days they work in a week, which includes the option of working only three or four days a week.

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### Improving Working Environments

June  
2018-

## Carrying Out Construction to Improve Office Working Environments (Yamato Transport)

Yamato Transport has begun remodeling workplaces in order to provide all employees with an even more safe, secure and comfortable working environment.

Standards have been established for remodeling work on restrooms, breakrooms and changing rooms at all center buildings. Efforts are now underway to make the workplace even more comfortable for all employees.



Breakroom

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### Streamlining of Operations

November  
2017-

## Introducing and Starting Operations of Japan's First Automated Packing Solution at Atsugi Gateway

We introduced Neopost's CVP-500 Automated Packing Solution at the Atsugi Gateway, which helps to provide seamless service support from materials procurement to packaging and shipment. This in-line autopacker automates all tasks from packaging to label issuance and attachment, which is about 10 times more productive than conventional manual packaging work. We will actively use digitalization and automation to improve productivity and enable working style reforms.



March  
2019-

## Network of Open-type Parcel Lockers Called PUDO Stations Reaches 4,000

PUDO (Pick Up & Drop Off) Station is an open-type parcel locker that customers can use at their convenience to easily pick up or ship parcels. Since launching the service in 2016, we have continued to expand its locations at railway stations and commercial facilities.

In March 2019, our network of PUDO Stations reached nearly 4,000. These lockers also contribute to working style improvements by providing greater convenience and usability to suit customers' diverse lifestyles and making the delivery work of employees even more efficient.





# Feature Article **2** Connecting the Future with Logistics

## Rethinking Working Styles and Promoting Business and Management Reforms Aimed at Sustainable Growth

The goal of our new medium-term management plan called KAIKAKU 2019 for NEXT100 is to reinforce the Yamato Group's management base in order to achieve sustainable growth over the next 100 years. At the same time, we established a new long-term vision for 2025 as well.

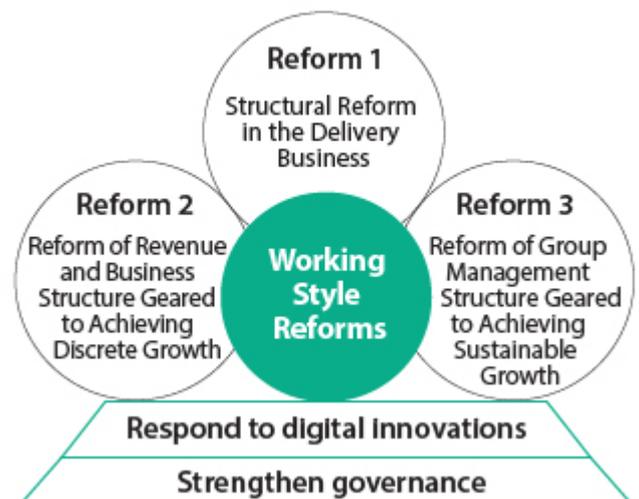
We will now build a sustainable business model aimed at addressing social issues in order to achieve continuous growth despite major changes taking place in the business climate.

Click here to find out more about our new medium-term management plan called KAIKAKU 2019 for NEXT100 [http://yamato-hd.co.jp/english/investors/financials/briefing/pdf/E\\_3g\\_kaikaku\\_29\\_03.pdf](http://yamato-hd.co.jp/english/investors/financials/briefing/pdf/E_3g_kaikaku_29_03.pdf)

### ▼ Vision for 2025

At the Yamato Group, with transportation itself as the catalyst, we will create new value by developing open platform solutions through leveraging the strengths of our points of contact with local communities and companies based in Japan and overseas, and the information these provide.

### ▼ General View on the Medium-Term Management Plan - "KAIKAKU2019 for NEXT100"



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Topics **1** The first in Japan to Introduce a 25-meter Double-trailer Truck

### Addressing Labor Shortages and the Need to Reduce CO<sub>2</sub> Emissions through More Efficient Trunk Route Transport

Changes in Japan's demographics have resulted in labor shortages in a number of industries. In the logistics industry, due to aging there is now a shortage of large truck drivers mainly on trunk routes. In addition, with the adoption of the Paris Agreement in 2015, there is growing worldwide momentum to reduce CO<sub>2</sub> emissions.

Based on these social issues, we decided to become the first in Japan to introduce a 25-meter double-trailer truck in September 2017 for more efficient trunk routes. In 2016, we began using 21-meter double-trailers and 18-meter single-trailers in an effort to make trunk route transportation even more efficient. The new 25-meter double-trailers introduced in 2017 can carry twice the cargo amount of conventional large trucks. By being able to carry more on a single truck, we will be able to address driver shortages and reduce CO<sub>2</sub> emissions.



#### Nicknamed "Connect"

This nickname symbolizes the connection between the truck and trailer along with connecting people, goods and cities together to connect the entire logistics industry through cooperative transport with other companies.

### Capable of Transporting Cargos of Multiple Transport Companies at the Same Time

Our 25-meter double-trailer trucks can be connected to the trailers of other transport companies for seamless transport. Driver aging and shortages are major issues faced not only by the Yamato Group, but the entire logistics industry. The introduction of these double-trailers will contribute to the sustainability of the entire logistics industry, transcending barriers between transport companies.

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Topics **2** The Yamato Group Research Institute Develops a New Workflow to Reduce Wait Times during Truck Deliveries

### Achieving Smooth Deliveries by Linking the Use of RFID\* with Our Vehicle Booking System

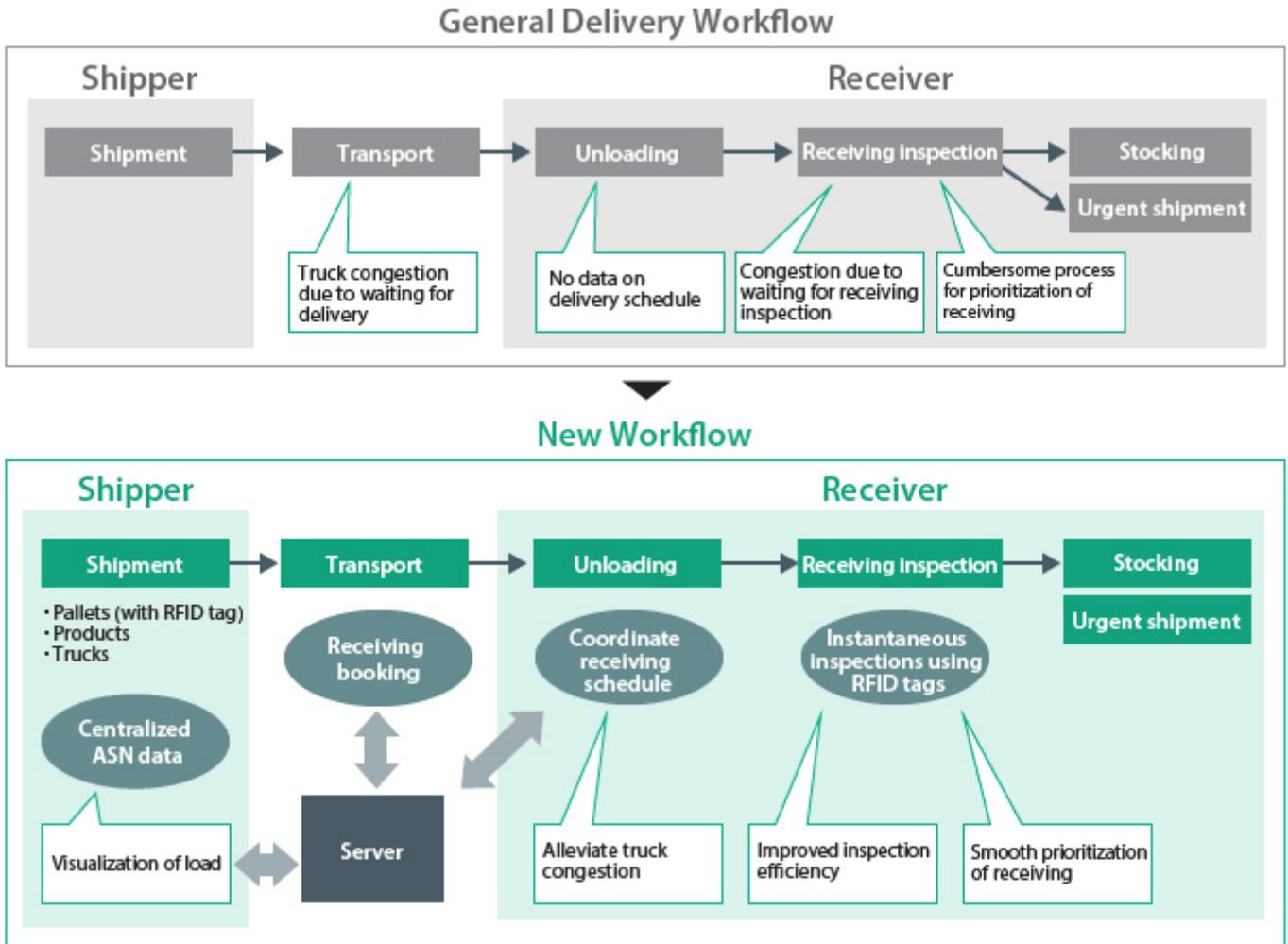
Today, the long wait time truck drivers face at the time of delivery has become a social issue. This is because deliveries are made in order of arrival at the facility, and the receiving inspections are performed manually with visual confirmation or paper records.

Aimed at resolving these issues, Yamato Group Research Institute developed a workflow solution for achieving smoother, more efficient deliveries through a partnership with industry groups such as logistics association, toiletries makers, and Yamato Logistics.

The key point for achieving efficient deliveries is visualizing information (ASN data) about which product is located on which pallet in which truck and then sharing this data with shippers, drivers and receivers. This makes it possible to coordinate receiving schedules by assigning priority at the delivery location.

We introduced RFID\* tags and a vehicle booking system in order to achieve these more efficient deliveries. RFID tags are affixed to pallets, products and trucks to create ASN data that connects all of them together. By sending this data to receivers in advance, they can determine the priority of trucks waiting in line and complete inspections smoothly by simply scanning the RFID tags.

\* RFID: A technology for contactless reading of data from an IC chip using electromagnetic fields.



This new workflow will enhance productivity of receiving work and receiving inspection operations, while also improve the work environment. In addition, the use of RFID tags will help ease workload during shipping inspections and reduce mistakes caused by human error. Moreover, reduced idling time will lower CO<sub>2</sub> emissions and ensure a safe and secure living environment for local residents.

The effects of this new workflow were validated in real life testing with Lion Corporation in 2017. We are now conducting further reviews aimed at full commercialization in the near future.

# Safety

With respect for human life as our top priority, we are always striving to achieve safety.



The Yamato Group uses public roads as an important part of its major business operations. Therefore, we recognize that community safety represents one of our most important duties. With our motto of safety first, we are steadily implementing measures for safety in transportation and always give top priority to respecting human life during the course of our operations.

## Our Initiatives

Details of each initiative can be found on our Japanese language website.

Transport  
safety  
management

> [Click here for details](#)  
(Japanese language webpage)

Rules for  
safety

> [Click here for details](#)  
(Japanese language webpage)

Systems and  
facilities for  
safety

> [Click here for details](#)  
(Japanese language webpage)

Raising  
awareness  
about safety  
among  
employees

> [Click here for details](#)  
(Japanese language webpage)

## Relevant SDGs



# Environment

Under the key word "Necology,"  
we create environmentally friendly logistics.



The Yamato Group established the Environmental Protection Declaration and has promoted various initiatives to address climate change and resource recycling issues, both of which are important for developing a sustainable society. Through logistics that mitigates CO<sub>2</sub> emissions to the promotion of recycling and development of resource-saving packaging, we are contributing to the realization of a low-carbon society and resource-recycling society.

## Our Initiatives

Details of each initiative can be found on our Japanese language website.

Approaches,  
targets,  
and systems

> [Click here for details  
\(Japanese language  
webpage\)](#)

Climate change

> [Click here for details  
\(Japanese language  
webpage\)](#)

Resource  
recycling

> [Click here for details  
\(Japanese language  
webpage\)](#)

Water and  
biodiversity

> [Click here for details  
\(Japanese language  
webpage\)](#)

Material  
balance and  
other data

> [Click here for details  
\(Japanese language  
webpage\)](#)

> [Click here for environmental data](#)

## Relevant SDGs



# Society

We aim to earn the trust and respond to expectations of all stakeholders.



The Yamato Group established the Environmental Protection Declaration and has promoted various initiatives to address climate change and resource recycling issues, both of which are important for developing a sustainable society. Through logistics that mitigates CO<sub>2</sub> emissions to the promotion of recycling and development of resource-saving packaging, we are contributing to the realization of a low-carbon society and resource-recycling society.

## Our Initiatives

Details of each initiative can be found on our Japanese language website.



## Relevant SDGs



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# Policy and Commitment on ESG

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## UN Global Compact

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For details, please see the Participation in the [UN Global Compact webpage](#).

## Core Values

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For details, please see the [Core Values webpage](#) on the Yamato Group website.

## Yamato Corporate Philosophy (Management Philosophy, Corporate Stance, and Employee Code of Conduct)

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For details, please see the [Yamato Corporate Philosophy webpage](#) on the Yamato Group website.

## Statement of Compliance

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For details, please see the [Corporate Governance webpage](#) on the Yamato Group website.

## Information Security Assurance Policy

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For details, please see the [Policy and Statement on ESG \(Japanese language webpage\)](#) on the Yamato Group website.

## Diversity Policy

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For details, please see the [Policy and Statement on ESG \(Japanese language webpage\)](#) on the Yamato Group website.

## **Yamato Group Health Declaration**

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For details, please see the [Policy and Statement on ESG \(Japanese language webpage\)](#) on the Yamato Group website.

## **Environmental Protection Declaration**

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For details, please see the [Policy and Statement on ESG \(Japanese language webpage\)](#) on the Yamato Group website.

## **Policy on Management of Pension Assets**

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For details, please see the [Policy and Statement on ESG \(Japanese language webpage\)](#) on the Yamato Group website.

# ESG Data

## Human Resources Data

### Employees

Item	Details	Fiscal 2015	Fiscal 2016	Fiscal 2017	Scope
Number of employees (persons)	Total	196,582	201,784	213,096	Consolidated companies inside and outside Japan
	Men	127,285	130,604	136,530	
	Women	69,297	71,180	76,566	
Number of employees by employment format (persons)	Full-time	89,112	90,737	93,534	Consolidated companies inside and outside Japan
	Part-time	107,470	111,047	119,562	
Number of employees by business (persons)	Delivery Business	175,460	180,716	191,433	Consolidated companies inside and outside Japan
	BIZ-Logistics Business	5,824	5,962	6,253	
	Home Convenience Business	5,246	5,067	4,937	
	e-Business	4,925	4,586	4,890	
	Financial Business	852	851	828	
	Autoworks Business	2,040	2,164	2,176	
	Other businesses	2,235	2,438	2,579	
Number of managers (persons)	Total	5,238	5,636	6,137	Consolidated companies inside and outside Japan
	Men	5,401	5,399	5,800	
	Women	197	237	337	
Number/Ratio of employees with disabilities	Number (persons)	2,317	2,310	2,416	Consolidated companies in Japan and Swan Bakery
	Ratio (%)	2.19	2.15	2.14	

### Employee Engagement

Item	Details	Fiscal 2015	Fiscal 2016	Fiscal 2017	Scope
Working style survey*	Response rate (%)	28.9	35.2	77.6	Consolidated companies in Japan and Swan Bakery
	Rate of respecting diversity (%)	41.7	46.2	61.2	
	Rate of fairness and equality (average score out of 5)	-	Men 3.83 Women 3.53	Men 4.04 Women 3.93	
	Rate of contribution (average score out of 5)	-	Men 3.91 Women 3.73	Men 4.09 Women 3.99	
	Total satisfaction in workplace comfort (average score out of 5)	-	Men 3.43 Women 3.55	Men 3.91 Women 3.98	
	Total satisfaction in workplace motivation (average score out of 5)	-	Men 3.55 Women 3.56	Men 3.84 Women 3.88	

\* Fiscal 2015 and fiscal 2016 responses were for the diversity survey. Partial changes were made to questions in 2016. The current survey has been used since fiscal 2017.

➤ [Click here](#) for related articles (Japanese language webpage)

## Diverse Working Styles

Item	Details	Fiscal 2015	Fiscal 2016	Fiscal 2017	Scope
Number of employees who took childcare leave (persons)	Total	610	715	766	Consolidated companies in Japan and Swan Bakery
	Men	41	21	25	
	Women	569	694	741	
Number of employees who chose short-time working for childcare (persons)	Total	474	570	586	Consolidated companies in Japan and Swan Bakery
	Men	9	14	16	
	Women	465	556	570	
Number of employees who took nursing care leave (persons)	Total	25	33	35	Consolidated companies in Japan and Swan Bakery
	Men	9	15	17	
	Women	16	18	18	
Number of employees who chose short-time working for nursing care (persons)	Total	29	42	50	Consolidated companies in Japan and Swan Bakery
	Men	13	27	32	
	Women	16	15	18	

> [Click here](#) for related articles (Japanese language webpage)

## Occupational Health and Safety and Health Management

Item	Details	Fiscal 2015	Fiscal 2016	Fiscal 2017	Scope
Number of serious occupational injuries <sup>*1</sup> (incidents)		0	0	1	Consolidated companies inside and outside Japan and Swan Bakery
Number/Ratio of employees receiving a stress check	Number (persons)	-	-	102,697	Consolidated companies in Japan and Swan Bakery
	Ratio (%)	-	-	88.3	
Ratio of receiving specific health checkups <sup>*2</sup>	Employees only (%)	98.6	98.4	97.5	Business sites covered by the Yamato Group Health Insurance Society
	Including dependents (%)	84.6	84.8	85.3	
Ratio of completing specific health guidance <sup>*2</sup>	Employees only (%)	79.0	84.0	85.0	Business sites covered by the Yamato Group Health Insurance Society
	Including dependents (%)	75.6	79.4	80.6	
Ratio of employees receiving breast cancer screenings <sup>*3</sup>	Number of locations served by health checkup bus (locations)	-	135	156	Business sites covered by the Yamato Group Health Insurance Society
	Number (total for bus and hospitals) (persons)	5,856	6,748	10,510	
	Ratio (total for bus and hospitals) (%)	40.1	45.2	46.7	
Health management certification system (companies with health declaration) <sup>*4</sup>	Number of companies with health declaration (companies)	-	-	20	Business sites covered by the Yamato Group Health Insurance Society
	Number of companies with gold certification (companies)	-	-	2	
	Number of companies with silver certification (companies)	-	-	12 <sup>*5</sup>	

\*1 Incident involving a fatality

\*2 Employees age 35 or older and dependents age 40 or older are eligible

\*3 Total checkups on bus/at hospitals (employees age 30 or older are eligible)

\*4 Organized by the Health Declaration Companies Tokyo Promotion Council

\*5 Of these, two companies overlap with gold certification

> [Click here](#) for related articles (Japanese language webpage)

## Safety in Transportation

Item	Details	Fiscal 2015	Fiscal 2016	Fiscal 2017	Scope
Serious traffic accidents <sup>*1</sup> (incidents)		7	4	4	Consolidated companies inside and outside Japan and Swan Bakery
Number of Safety Experts (persons)		337	349	365	Consolidated companies in Japan
Number of long-running no-accident commendation awardees (persons)	Yamato Transport <sup>*2</sup>	9,040	8,034	9,159	-
	Yamato Home Convenience <sup>*2</sup>	192	222	176	
	Yamato Global Express <sup>*3</sup>	108	130	172	
	Okinawa Yamato Transport <sup>*4</sup>	45	35	20	
	Yamato Multi Charter <sup>*5</sup>	41	24	38	
	Yamato Box Charter <sup>*6</sup>	104	136	128	

\*1 Traffic accidents involving a fatality. Including no-fault accidents

\*2 Number of years or distance driven without an accident: 25 years or 2.7 million km (Diamond Award), 18 years or 1.9 million km (Gold Award), 8 years or 800,000 km (Silver Award), 5 years or 500,000 km (Bronze Award), 2 years or 200,000 km (Safety Driver Award)

\*3 Number of years without an accident: 25 years (Diamond Award), 18 years (Gold Award), 8 years (Silver Award), 5 years (Bronze Award), 2 years (Safety Driver Award)

\*4 Number of years without an accident: 2 years, 5 years, 8 years, 18 years, 25 years

\*5 Number of years without an accident: 5 years, 10 years, 15 years, 20 years, 25 years, 30 years, 35 years

\*6 Number of years without an accident: 2 years, 5 years

> [Click here](#) for related articles

## Social Contribution Activities Data

### Social Contribution Activities

Item	Details	Fiscal 2015	Fiscal 2016	Fiscal 2017
Music TA-Q-BIN (1986 -)	Number of times implemented in FY (times)	9	9	9
	Number of participants in FY (persons)	15,008	11,588	9,667
	Cumulative total number of times implemented (times)	302	311	320
	Cumulative total number of participants (persons)	452,066	463,654	474,635
Children's Traffic Safety Workshop (1998 -) <sup>*1</sup>	Number of times implemented in FY (times)	1,983	1,754	1,440
	Number of participants in FY (persons)	213,467	184,353	168,214
	Cumulative total number of times implemented (times)	26,117	27,871	29,311
	Cumulative total number of participants (persons)	2,802,852	2,987,205	3,155,419
Kuroneko Yamato Environmental Class (2005 -) <sup>*1</sup>	Number of times implemented in FY (times)	204	128	110
	Number of participants in FY (persons)	15,820	9,236	8,636
	Cumulative total number of times implemented (times)	2,993	3,121	3,231
	Cumulative total number of participants (persons)	222,743	231,979	240,615

\*1 As of March 31 of each fiscal year

\*2 Recipients were Yamato Welfare Foundation and NPO Ashinaga

> [Click here](#) for related articles (Japanese language webpage)

> [Click here](#) for more about Music TA-Q-BIN (Japanese language webpage)

### Project G

Item	Fiscal 2015	Fiscal 2016	Fiscal 2017
Total number of projects implemented or considered* (projects)	1,770	1,928	2,087
Of these, number being implemented* (projects)	529	604	648
Number of agreements concluded with local governments* (projects)	319	364	394

\* As of March 31 of each fiscal year

> [Click here](#) for related articles (Japanese language webpage)

## Combined Passenger-Cargo Operations

Region	Partner	Date initiated
Kyoto Prefecture	Keifuku Electric Railway Co., Ltd.	May 2011
Iwate Prefecture	Northern Iwate Transportation Inc.	June 2015
Miyazaki Prefecture	Miyazaki Kotsu Co., Ltd., Miyazaki Prefecture, Saito City, Nishimera Village, and Japan Post Co., Ltd.	October 2015
		June 2016
Hokkaido	Meishi Bus Co., Ltd.	July 2016
	Shibetsu Kido Co., Ltd.	July 2016
	Tokachi Bus Co., Ltd.	July 2016
Kumamoto Prefecture	Sanko Bus Co., Ltd.	October 2016
Hyogo Prefecture	Zentan Bus Co., Ltd.	June 2017
Hokkaido	Engan Bus Co., Ltd. and Teshio Town	September 2017
Nagano Prefecture	Iizuna Town and Nagaden Bus Co., Ltd.	October 2017
Wakayama Prefecture	Arida Railway Co., Ltd. and Aridagawa Town	October 2017
Tokushima Prefecture	Shikoku Kotsu Co., Ltd.	November 2017
Aichi Prefecture	Toyoda City and Hoei Kotsu Co., Ltd.	January 2018
Gifu Prefecture	Nagaragawa Railway Co., Ltd.	February 2018
Wakayama Prefecture	WAKAYAMA ELECTRIC RAILWAY Co., Ltd.	February 2018
Oita Prefecture	Oita Transportation Co., Ltd., Oita Air Terminal Co., Ltd.	April 2018
Fukui Prefecture	FUKUI RAILWAY Co., Ltd.	August 2018
Nagano Prefecture	Aoki Village, Chikuma Bus Corporation	October 2018
Gunma Prefecture	Kan-etsu Transportation Co., Ltd.	October 2018

(Note) Services provided by Yamato Transport (includes certain Group companies)

➤ [Click here](#) for related articles (Japanese language webpage)

## Environmental Data

### Climate Change

#### Energy

		(GJ)
		2017
Electricity	From fossil fuels	5,421,041
	From renewable energy	2,023
Gasoline	Offices	3,114
	Transportation, etc.	301,094
Kerosene		43,967
Diesel oil	Offices	7,729
	Transportation, etc.	7,787,640
Heavy oil A	Offices	2,268
	Transportation, etc.	469
LPG	Offices	37,318
	Transportation, etc.	186,642
City gas	Offices	36,373
	Transportation, etc.	342
Estimated energy usage		123,946
Total		13,953,964

- Boundary: Consolidated companies in Japan and Swan Bakery (excluding benefits divisions)
- [For further information, please see the Calculation Method and Conversion Factors](#)

#### CO<sub>2</sub> Emissions (Scope 1 and Scope 2) and CO<sub>2</sub> Emissions Intensity

(Top: 1,000 tCO<sub>2</sub>, bottom: tCO<sub>2</sub>/operating revenue of 100 million yen)

	2015	2016	2017
CO <sub>2</sub> emissions	899	905	938
CO <sub>2</sub> emissions intensity	53.9	51.9	52.1

#### 2017 CO<sub>2</sub> Emissions Breakdown

		(1,000 tCO <sub>2</sub> )
		2017
Scope 1	Energy-related	580
	Non-energy related	77
Scope 2		280

- Boundary: Consolidated companies in Japan and Swan Bakery (excluding benefits divisions)
- Scope 3 total was 44,394 thousand tCO<sub>2</sub>. Category 7: Employee Commuting is calculated based on the number of employees and business days per year. Therefore, the calculation takes into account a high volume of activities. The calculation method follows the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain, Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry (Ver. 2.3). [For further information, please see the Calculation Methods and Conversion Factors](#)

Note) Numbers are rounded; thus, the breakdown may not equal the total.

➤ [Click here](#) for related articles (Japanese language webpage)

## Resources

### Resources Input

(t)

	2017
Vehicles and auto parts	7,925
Equipment and machinery	7,428
Paper	38,463
Containers and packaging	3,694
Other	0.1
Amount recovered	123

- Boundary: Consolidated companies in Japan and Swan Bakery (excluding benefits divisions)
- Vehicles include those purchased or leased.

### Waste

(1,000 t)

	2016	2017
Amount recycled	25	37
Amount recovered	4	7
Amount incinerated	6	26
Final disposal amount	4	6
Total	39	76

- Boundary: Consolidated companies in Japan and Swan Bakery (excluding Yamato Transport and benefits divisions; figures being tabulated for Yamato Transport)
- Waste includes general waste, industrial waste, and valuables.
- [For further information, please see the Calculation Methods and Conversion Factors](#)

### Green Procurement Rate

(%)

	2016	2017
Green Procurement Rate	86.1	87.7

- Boundary: Yamato Transport

> [Click here](#) for related articles (Japanese language webpage)

## Water

### Water Usage

(1,000 m<sup>3</sup>)

	2017
Surface water	0
Underground water	0
Rainwater	0.01
Tap water	4,173

- Boundary: Consolidated companies in Japan and Swan Bakery (excluding benefits divisions)

> [Click here](#) for related articles (Japanese language webpage)

## Management

### Compliance with Environmental Laws and Regulations

	2017
Legal violations (incidents)	0
Fines and lawsuits (incidents)	0
Environmental accidents (incidents)	0
Leaks and pollution (incidents)	0
Total amount of fines (yen)	0

- Boundary: Consolidated companies in Japan and Swan Bakery (excluding benefits divisions)

### Environmental Accounting

(Millions of yen)

Category		2017	
		Investment amount	Cost amount
Costs inside business area	Global environmental conservation costs	12,418	41
	Resource recycling costs	0	619
Up/Downstream costs (green procurement and recycling)		0	3,816
Management activity costs (greenery maintenance)		0	12
R&D costs		0	111
Total		12,418	4,599

- Boundary: Yamato Transport
- Reference: Environmental Accounting Guidelines 2005 published by Japan's Ministry of the Environment

## Corporate Governance Data

### Officer Composition and Number of Board Meetings (as of March 31 each fiscal year) (Persons)

Item	Details	Fiscal 2015	Fiscal 2016	Fiscal 2017	Scope	
Number of directors	Total	6	5	8	Yamato Holdings	
	Inside	4	3	5		
	Outside	2	2	3		
	Men	6	5	7		
	Women	0	0	1		
Number of Audit & Supervisory Board members	Total	4	4	4		
	Inside	2	2	2		
	Outside	2	1	2		
	Men	3	3	3		
	Women	1	1	1		
Number of executive officers	Total	17	21	22		
	Men	17	20	21		
	Women	0	1	1		
Number of board meetings (times)		18	17	18		

See the following webpages for more details about other aspects of corporate governance.

- > [Corporate Governance \(Corporate Profile\)](#)
- > [Securities Report](#) (Japanese language webpage)
- > [Shareholders Meeting Information](#) (Japanese language webpage)

### Compliance and Risk Management Indicators

Item	Fiscal 2015	Fiscal 2016	Fiscal 2017	Scope
Compliance and Risk Management Committee meetings (times)	4	4	4	Yamato Holdings
Number of whistleblower reports/consults (reports/consults)	157	101	102	Yamato Holdings

- > [Click here](#) for related articles

## Certifications

### General

Certification name	Company name	Year acquired
ISO9001	Yamato Packing Technology Institute Co., Ltd.: Headquarters	2008
JIS Q 9001:2008/ ISO 9001:2008	Yamato System Development Co., Ltd.	2008
	Tokyo SLC, Tokyo Branch, Regional Sales Division	2003
	System Solutions Company	2006
	Shin-Tokyo IDC	2006
JIS Q 9001:2015/ ISO 9001:2015	Yamato Logistics Co., Ltd.	1997
	e-Logistics Solution Business	1997
	Chiba Logistics System Center	2005
	Shin-Tokyo Logistics System Center	2007
	Chubu Logistics System Center	2007
	Inazawa Logistics System Center	2007
	Osaka Logistics System Center	2007
	Higashi Yodogawa Logistics System Center	2011
	Osaka Minato Logistics System Center	2014
	Haneda Logistics System Center	2005
	Oi Logistics System Center	2005
Oi No. 2 Logistics System Center	2005	
Haneda On-demand Center	2005	
ISO14001	Yamato Packing Technology Institute Co., Ltd.: Headquarters	2008
ISO13485	Yamato Logistics Co., Ltd.	2006
	Medical Logistics Company	2006
	Kanagawa Medical Center	2006
Excellent Safe Driving Business Certification (G- Mark)	Kobe Yamato Transport Co., Ltd.: obtained by Osaka Office	2012
	Yamato Multi Charter Co., Ltd.: obtained by all offices	2016
	Yamato Transport Co., Ltd.: obtained by 2,765 offices as of March 31, 2018	
	Okinawa Yamato Transport Co., Ltd.: obtained by 28 offices as of March 31, 2018	
	Yamato Global Express Co., Ltd.: obtained by 56 offices as of March 31, 2018	
	Yamato Home Convenience Co., Ltd.: obtained by 43 offices as of March 31, 2018	
Yamato Box Charter Co., Ltd.: obtained by 44 offices as of March 31, 2018		
FSSC 22000 (Food safety management system)	Yamato Transport Co., Ltd.: Haneda Chronogate Terminals	2017
	Yamato Global Logistics Japan Co., Ltd.	2017
	Okinawa Yamato Transport Co., Ltd.: Global Express Division	2017
PAS 1018:2017 (Indirect, temperature-controlled refrigerated delivery services)	Yamato Transport Co., Ltd.	2017
	Okinawa Yamato Transport Co., Ltd.	2017
	YAMATO (CHINA) TRANSPORT CO., LTD.	2017
	YAMATO LOGISTICS (HK) LTD.	2017
	YAMATO TRANSPORT (S) PTE. LTD.	2017
	YAMATO TRANSPORT (M) SDN. BHD.	2017
Yamato 365 Express Co., Ltd.	2017	

\* PAS 1018 is an international standard for indirect, temperature-controlled refrigerated delivery services that involve the transshipment of cargo. The standard defines requirements for transshipment work during transport, focused mainly on temperature controls such as the use of refrigeration units on vehicles. With growing worldwide demand for refrigerated delivery services, this standard was established in February 2017 with the involvement of businesses offering refrigerated delivery services in Japan, including Yamato Holdings, along with other organizations such as overseas industry groups.

## Information Security

Certification name	Company name	Year acquired
JISQ 15001 (privacy mark) * Yamato Contact Service only acquired JISQ 15001	Yamato System Development Co., Ltd.	1999
	Yamato Financial Co., Ltd.	2006
	Yamato Web Solutions Co., Ltd.	2007
	Yamato Logistics Co., Ltd.	2010
	Yamato Management Service Co., Ltd.	2011 (Updated in 2017)
	Yamato Credit & Finance Co., Ltd.	2016 (Updated in 2018)
	Yamato Contact Service Co., Ltd.*	
	Head Office	2007
	Tokyo Call Center	2015
	Saitama Call Center	2007
Miyakonojo Intelligent Contact Center	2010	
Wakayama Call Center	2012	
Tottori Intelligent Contact Center	2013	
Tome Contact Center	2013	
Kanto Mother Center	2014	
Kansai Mother Center	2015	
ISO27001	Yamato Transport Co., Ltd.	
	Head quarters	2015
	Haneda Chronogate	2017
	Atsugi District Branch	2017
	Yamato System Development Co., Ltd.	
	Shin-Tokyo IDC	2004
	Osaka IDC	2002
	Contactless credit card data processing services for large-scale affiliate stores	2009
	Credit card terminal installation application form acceptance center operation	2012
	CAT joint usage system	2013
	Sorting and sending of account transfer request documents	2012
	Member contact service	2014
	Joint usage-type online statement notification service	2014
	Proxy service for emergency invalidation procurement	2014
	Operations related to (new) registration of terminal installation application forms	2015
	Account transfer systems (development)	2015
	Credit card terminal installation application form acceptance center operation (development)	2015
	Online application acceptance service	2015
	Settlement NW	2015
	settlement information DB	2015
	Yamato Contact Service Co., Ltd.	

	Head Office	2006
	Tokyo Call Center	2015
	Saitama Call Center	2007
	Miyakonojo Intelligent Contact Center	2010
	Wakayama Call Center	2012
	Tottori Intelligent Contact Center	2013
	Tome Call Center	2013
	Kanto Mother Center	2014
	Kansai Mother Center	2015
	Yamato Packing Technology Institute Co., Ltd. Headquarters	2009
	Yamato Logistics Co., Ltd. Indirect Business Solutions Company	2005
	Tokyo District Branch	2005
	Saitama District Branch	2005
	Confidential Document Secure Solutions Division	2016
	Tokyo Security Center	2016
	Yamato Global Logistics Japan Co., Ltd.: Headquarters	2018
ISO20000	Yamato System Development Co., Ltd.	2006
PCI DSS	Yamato System Development Co., Ltd. Credit card settlement service	2006
	Web billing service	2011
Information security auditing company registered	Yamato System Development Co., Ltd.	2004

# Calculation Methods and Conversion Factors

## CO<sub>2</sub> Emissions

### Source for calorific value and emission factors used to calculate energy, Scope 1 and Scope 2 CO<sub>2</sub> emissions

- Appended Table 1 of the Ordinance for Enforcement of the Act on the Rational Use of Energy. Appended Table 1 of the Order for Enforcement of the Act on the Promotion of Global Warming Countermeasures.
- City gas uses calorific value for each business site. Electricity uses emission factors for each business site from Ministerial Ordinance on Calculation of Greenhouse Gas Emissions Arising from the Business Activities of Specified Emitters. – FY2016 Results, the Ministry of the Environment and Ministry of Economy, Trade and Industry.
- Transportation, etc. for city gas includes fuel of CNG vehicles, etc. II-36 of Section II GHG Emissions Calculation Methods of the GHG Emissions Calculation and Reporting Manual Ver. 4.3.2 for GHG Emissions Accounting, Reporting and Disclosure System was referenced.
- Estimated energy usage includes estimates where the type of energy is unknown, such as the energy used by building tenants, etc.
- The Air Conditioning Energy Estimation Tool of the Energy Conservation Center, Japan was used for calculation methods. II-33 of Section II GHG Emissions Calculation Methods of the GHG Emissions Calculation and Reporting Manual Ver. 4.3.2 for GHG Emissions Accounting, Reporting and Disclosure System was referenced.
- The calorific value used for electricity derived from renewable energy is 3.6 GJ/MWh.

### Source for calculation methodology and emission factors used to calculate Scope 3 CO<sub>2</sub> emissions

- **Category 1: Purchased Goods and Services**

Calculation formula, the spend-based method of the GHG Protocol's Technical Guidance for Calculating Scope 3 Emissions (version 1.0). Calculated by multiplying the value of Yamato Transport's purchased goods by the emission factors. For the emission factors, the Emission Intensity Database for Calculating GHG Emissions of Organizations throughout the Supply Chain, Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry (Ver. 2.5) was referenced.

Boundary: Yamato Transport (Japan) (Reference: Yamato Transport's Scope 1 and Scope 2 emissions account for about 80% of the total emissions of Yamato Group.)

- **Category 2: Capital Goods**

Calculation formula, the spend-based method of the GHG Protocol's Technical Guidance for Calculating Scope 3 Emissions (version 1.0). Calculated by multiplying the capital expenditure amount (vehicles, buildings, and loading equipment) by the emission factors. For the emission factors, the Emission Intensity Database for Calculating GHG Emissions of Organizations throughout the Supply Chain, Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry (Ver. 2.5) was referenced.

Boundary: Consolidated companies in Japan

- **Category 3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2**

Calculation formula in the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain, Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry (December 2017, Ver. 2.3). Calculated by multiplying the input data for electricity by the emission factors. For the emission factors, the Emission Intensity Database for Calculating GHG Emissions of Organizations throughout the Supply Chain, Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry (Ver. 2.5) was referenced.

Boundary: Consolidated companies in Japan

- **Category 4: Upstream Transportation and Distribution**

Calculation formula, the spend-based method of the GHG Protocol's Technical Guidance for Calculating Scope 3 Emissions (version 1.0). Calculated by multiplying transportation costs for each type by the emission factors. For the emission factors, the Emission Intensity Database for Calculating GHG Emissions of Organizations throughout the Supply Chain, Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry (Ver. 2.5) was referenced.

Boundary: Yamato Transport (Japan)

- **Category 5: Waste Generated in Operations**

Calculation formula in the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain, Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry (Ver. 2.3). Calculated by multiplying the outsourcing amount of waste processing and recycling for each type by the emission factors. For the emission factors, the Emission Intensity Database for Calculating GHG Emissions of Organizations throughout the Supply Chain, Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry (Ver. 2.5) was referenced.

Boundary: Yamato Transport (Japan)

- **Category 6: Business Travel**

Calculation formula in the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain, Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry (December 2017, Ver. 2.3). Calculated by multiplying the number of employees by the emission factors. For the emission factors, the Emission Intensity Database for Calculating GHG Emissions of Organizations throughout the Supply Chain, Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry (Ver. 2.5) was referenced.

Boundary: Consolidated companies in Japan

- **Category 7: Employee Commuting**

Calculation formula in the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain, Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry (December 2017, Ver. 2.3). Calculated by multiplying the number of employees by the number of business days and the emission factors. For the emission factors, the Emission Intensity Database for Calculating GHG Emissions of Organizations throughout the Supply Chain, Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry (Ver. 2.5) was referenced.

Boundary: Consolidated companies in Japan

- **Category 8: Upstream Leased Assets**

The Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain, Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry (December 2017, Ver. 2.3) was referenced. Calculated and reported under Scope 1 and Scope 2.

- **Category 9: Downstream Transportation and Distribution**

The Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain, Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry (December 2017, Ver.2.3) was referenced. Calculated under Scope 1, Scope 2, and Upstream Transportation and Distribution.

## Waste

### Boundary and scope of waste

- Boundary: Consolidated companies in Japan and Swan Bakery (excluding Yamato Transport and benefits divisions; figures being tabulated for Yamato Transport).
- Waste includes general waste, industrial waste, and valuables.
- Includes partially estimated figures (e.g., building tenant portion).

## Environmental Accounting

### Guidelines referenced for environmental accounting

Japan's Ministry of the Environment, Environmental Accounting Guidelines 2005

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# Governance/Compliance

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**We Aim to Continue as a Corporate Group in which Each Individual Holds a High Sense of Ethics.**

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## Corporate Governance

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Based on its corporate philosophy, the Yamato Group carries out business activities in accordance with the law and social norms and actively promotes compliance management. Striving to maximize corporate value by effectively utilizing the management resources of the Group is one of the top priorities of management, and we work to bolster management systems and implement policies to this end.

For details, please see the [corporate governance webpage](#) on the Yamato Group website.

## Compliance

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The Yamato Group has established an internal control system in order to promote sound corporate culture in the group as a whole, and to enable employees to perform their duties effectively and efficiently without any misbehavior or mistake.

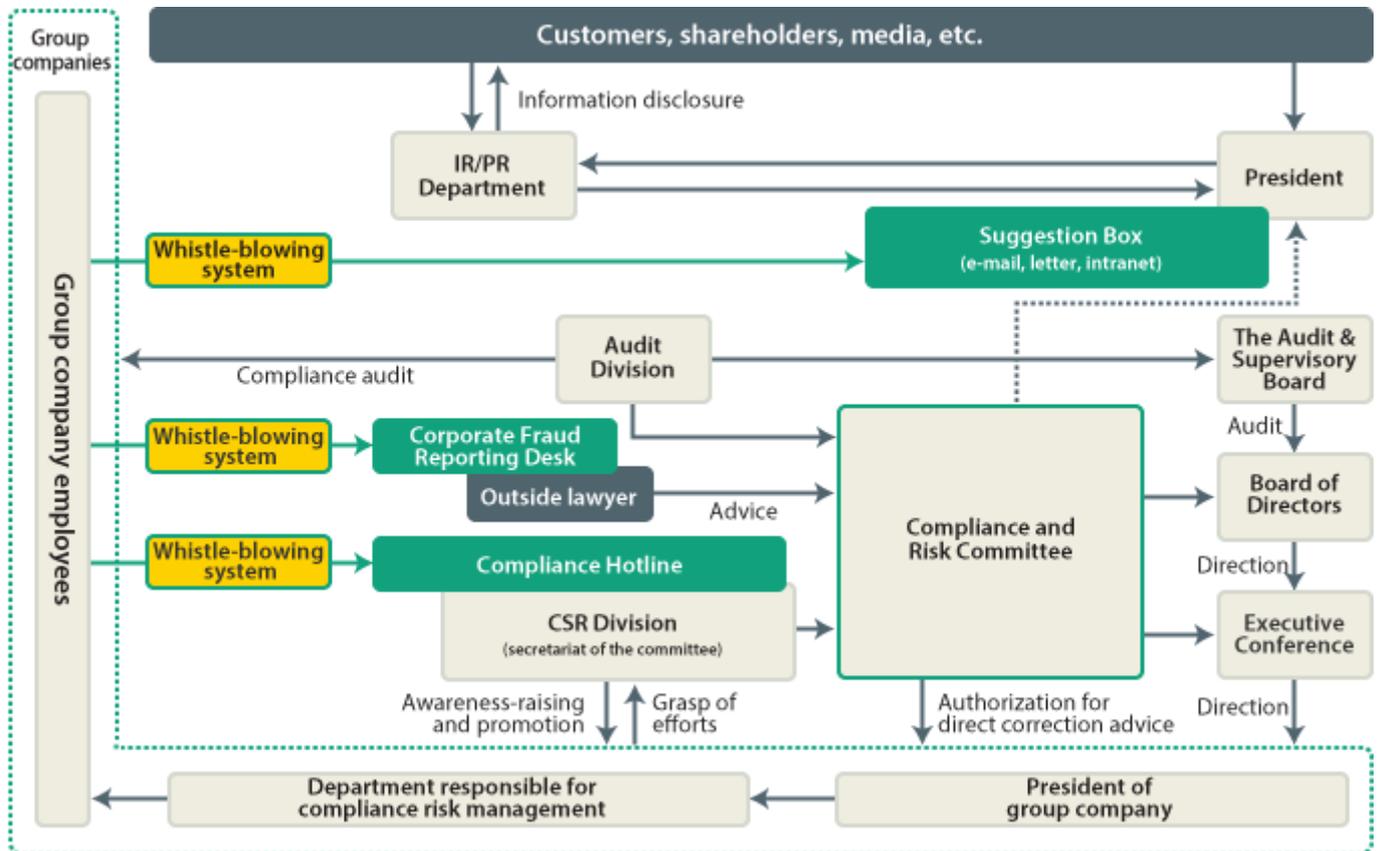
Yamato Holdings has stipulated its basic policy on the internal control system in accordance with the Companies Act, and each group company is working on strengthening internal controls. In addition, in order to respond to the internal control report system pursuant to the Financial Instruments and Exchange Act, which went into effect in April 2008, we created a post of internal control manager in major group companies, and have made efforts to review business rules and standardize operations. We have also constructed a framework by which the section in charge of audits in Yamato Holdings and the sections in charge of internal control in major group companies check whether work is being conducted effectively in accordance with rules, and seek immediate remediation of any deviations. Internal control involving financial reporting by the Yamato Group was found to be valid as of March 31, 2018, with a report submitted to the Kanto Local Finance Bureau.

To construct a framework to prevent corporate misconduct in accordance with the laws and regulations and corporate ethics, the Yamato Group is making efforts to ensure compliance management as a top-priority issue for CSR promotion.

We have formulated the Group Corporate philosophy that summarizes the Yamato Group's corporate responsibility for and stance toward society, and have announced our Declaration of Compliance under which we declare our observance of the laws and regulations, corporate ethics, etc. In all business offices of each group company, a poster of our Declaration of Compliance has been put up to give a clear explanation in case of violations using illustrations. It helps to raise employees' awareness and call their attention to compliance.

Officers and employees of the Yamato Group are required to act in good faith in accordance with the above-mentioned corporate philosophy. The departments responsible for compliance risk management of group companies, centering on the Compliance and Risk Committee of Yamato Holdings are working to ensure their observance.

### Compliance and risk management framework



We have also set up a Corporate Fraud Reporting Desk, Compliance Hotline and a Suggestion Box as points of contact in our whistle-blowing system, which enable us to directly obtain information on risks in the company by means of notification and consultation by phone or e-mail. They contribute to prevention of compliance violations.

## Business Continuity Plan (BCP)

As a group of companies that provides TA-Q-BIN services as social infrastructure, we established a business continuity plan (BCP) to ensure we can continue to offer stable and consistent services even during unforeseen situations. Based on our experiences from the Great East Japan Earthquake of 2011, we are working to reinforce our crisis management structure across the entire Group based on various emergency scenarios.

The Yamato Group BCP Basic Policy stipulates the three pillars of "prioritize human life," "aim for a quick restoration of operations at each Group company" and "live up to expectations from local communities as a key component of social infrastructure." Following this basic policy, we have established miscellaneous standards common to the Group and compiled various manuals based on the unique characteristics of each Group company's business.

A BCP department and person in charge are in place at each Group company and a BCP division has been set up inside Yamato Holdings to head up the Group's BCP efforts. During the occurrence of an emergency, following certain criteria we set up an emergency response headquarters at Yamato Holdings (headed up by the president) that works closely with relevant departments in charge from each Group company.

Every employee carries with them a disaster pocket card that contains actions to be taken in case of a disaster. Regular training is also held covering disaster scenarios. In addition, we have introduced a system to confirm the safety of employees during a disaster.

We are now examining ways to reinforce our response to natural disasters, including large-scale earthquakes or flooding caused by torrential rains, and looking broadly at ways to address the many risks that threaten our business continuity.

## **Information Security**

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The Yamato Group handles important personal information of many customers. We had always maintained strict control over such information, and in March 2003, we announced our "Declaration on Ensuring Information Security" in view of the social situation including frequent leakage of personal information from a company. Since then, we have reinforced information security with an emphasis on "protection of personal information," "confidentiality of corporate information," and "prohibition of falsification and concealment."

In 2016, we implemented our first campaign to raise awareness about information security across the entire Yamato Group, including overseas subsidiaries. As part of this, each of our group companies carried out their own unique measures for raising awareness based on their own situation.

For the purpose of ensuring proper and safe handling of personal information, we will strive to familiarize employees with the information security rules, and to increase their educational opportunities. By doing so, we believe we will be able to improve customer trust in our group.

In addition, for each of our group company workplaces we are actively working to acquire various certifications regarding information security.

For details about certifications, please see the [ESG Data Fields webpage](#).

# Editorial Policy

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The Yamato Group discloses information through various media in order to foster understanding and empathy among the stakeholders listed in the Yamato Group Corporate Philosophy, including customers, employees, partners, local communities, and shareholders, with regard to its CSR policies and initiatives.

This website provides comprehensive information on the Yamato Group's CSR activities.

## **Main changes on the website from fiscal 2017**

- A new [ESG data webpage](#) was established containing our various policies and performance data on CSR
- The website's overall structure and content has been reviewed following the disclosure needs of society

## **Guidelines, etc. referenced**

G.R.I. (Global Reporting Initiative), "Sustainability Reporting Guidelines" (G3.1 and G4); Ministry of the Environment, "Environmental Reporting Guidelines" (2012 version)

## **Period covered in report**

Fiscal 2017 (April 2017 - March 2018)

Performance data is as of the end of March 2018, unless noted otherwise. (Some information from before the target fiscal year and after April 2018 is included in reporting on activities.)

## **Scope of report**

CSR activities of the [Yamato Group](#).

## **Publication**

February 2019 (scheduled next publication: August 2019)