# Strengthening of Sustainable Management

At a time when society as a whole is facing many urgent issues, such as climate change, the declining workforce, human rights, and inequality, it is becoming increasingly important that corporations also diligently face these issues and participate in resolving them. The Yamato Group is promoting sustainable management in order to achieve long-term targets, such as our environmental and social visions for a sustainable future, and climate neutrality by 2050.

# Vision for the Environment and Society



# 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

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

# Sustainability Promotion System

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

With the president as chairperson and members comprising the executives (including senior managing executive officers and managing executive officers) 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. Key agenda items are appropriately discussed and resolved at Management Committee meetings and Board of Directors meetings.

	Yamato Holdings Board of Directo	ors	
Yamato Group Envi	Yamato Group Social	Promotion Committee	
Yamato Group Enviro	Yamato Group Soc	cial Subcommittee	
		1	
Yamato Transport	Group Companies		
Environment Committee	Environment Committee		
Regional Environment Committee		I	
Regional Branch Office Environment Committee			

### Material Issues

Material Issues	Themes of Initiatives	Vision	Risk/ Opportunity	Related SDGs
Energy & Climate	Mitigate climate change	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.	Risk Opportunity	7 minimus 9 minimus 13 minimus 13 minimus 14 minimus 15
Atmosphere	Clean up the skies (prevent air pollution)	Pursue transportation that reduces the effects of air pollutants emitted by vehicles and cleans up skies in local communities	Risk	3 mention
Resource Conservation & Waste	Promote resource conservation and reduce waste	Drastically reduce our environmental burden and promote the use of technology and creation of opportunities for minimizing environmental impact	Risk Opportunity	3 mention
0000 Resilience of Companies & Society	Support a society that combats environmental changes	Collaborate with diverse partners to increase the resilience of stakeholders and local communities and create environmental value	Risk Opportunity	9 men. record  11 menuncus  12 menuncus  13 mm  15 m.u.  17 menuncus  (**)
Labor	Create a work environ- ment where employees can thrive	Implement a high-value-added model for labor and promote "decent work"	Risk Opportunity	3 manufacture  4 moore  8 minutation  1 minu
Human Rights & Diversity	Create a corporate culture that respects human rights and diversity	Respect human rights, recognize diversity, and create a framework for human rights due diligence	Risk Opportunity	5 mean 8 microsectures 10 micros microsectures 10 microsectures 16 microsectures 110
Safety & Security	Create initiatives to carry out business in a safe and secure manner	Maintain traffic and labor safety and provide reliable service	Risk	3 minutum
Data Utilization & Security	Create an information security infrastructure	Create an information security infrastruc- ture and businesses that utilize data to resolve social issues	Risk Opportunity	9 month annual 11 months and 12 months and 17 months and 18 months and 17 months and 18 months and 1
Supply Chain Management	Develop a common understanding with stakeholders	Build a stable business infrastructure through sound, resilient supply chains	Risk Opportunity	8 silent status.  12 silenter status.  COO 17 milester.  17 milester.  While the status.
Community	Create corporate citizen- ship activities that are rooted in local communi- ties and create a frame- work for business creation	Establish corporate citizenship activities that are unique to the Yamato Group. Create a business model that revitalizes local economies	Opportunity	3 minimum

#### **Identification of Material Issues**

#### Refine Choices for Material Issues

STEP 1

Based on international frameworks, such as the GRI Standards, the Sustainability Accounting Standards Board (SASB), ISO 26000, and the Sustainable 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 that will contribute to increasing the corporate value of the Yamato Group, as well as create a sustainable society

**Hold Stakeholder Dialogues** (Implemented November 2019)

STEP 2 We listened to our stakeholders' opinions on the choices for material issues refined in STEP 1 and held stakeholder dialogues to confirm their validity

# Sustainable Medium-Term Plans 2023

In order to promote sustainable management, the Yamato Group has set out specific actions to address material issues in Sustainable Medium-Term Plans 2023. In the fiscal year ended March 31, 2022, the first year of these plans, we have made steady progress in achieving targets under the sustainability promotion system we have developed. We will continue to make improvements by reviewing and adopting additional measures based on current issues while engaging in the promotion of measures, the enhancement of training, and other actions.



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

https://www.yamato-hd.co.jp/english/csr/

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

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

	Material Issues	Targets for the Fiscal Year Ending March 31, 2024	Progress in the Fiscal Year Ended March 31, 2022	Examples of Initiatives
		■ Reduce greenhouse gas emissions 10% compared with the fiscal year ended March 31, 2021*1	■ 2% decrease	Development and verification of electric vehicles     Visualization of the operational status of vehicles and reduction of inefficient routes
	Energy & Climate Mitigate climate change	Reduce greenhouse gas emission intensity 10% compared with the fiscal year ended March 31, 2021*1.*2	■ 2% decrease	Implementation of a modal shift     Consolidation of touch points (facilities) and installation of LED lights (495 facilities)
		■ Achieve 30% usage rate of electricity generated via renewable energy sources*3	■ 11% usage rate	<ul> <li>Establishment of a specialized department (Green Innovation Development Department) mote the development and introduction of vehicles and equipment that contribute to rec greenhouse gas emissions</li> </ul>
٠ )	Atmosphere	■ Reduce NOx and PM emissions from vehicles 25% compared with the fiscal year ended March 31, 2021*4	■ NOx emissions: 9% decrease ■ PM emissions: 3% decrease	Holding of discussions and implementation of technical checks on automated mobility wi
	Clean up the skies (prevent air pollution)	■ Introduce vehicles that emit fewer air pollutants	■ 3,200 vehicles introduced	pliers that contribute to low-carbon transportation and the prevention of air pollution
	Resource Conservation & Waste Promote resource conservation and reduce waste	■ Use 55% renewable resources and recycled materials for paper materials*5	■ 52% usage rate	
		■ Reduce landfill disposal rate (final disposal rate) to 5% or less*6	■ 10% disposal rate	Use of renewable resources and recycled materials for containers and packaging materia     Launch of studies into the development of materials for reuse and common reusable materials.
		■ Provide products utilizing recycled materials and resource saving materials	■ Identification of target materials and partial switch to resources that utilize recycled materials	
		Advance green logistics in collaboration with our business partners	Determination of methods for understanding the greenhouse gas emissions of our transportation partners	
n n n n n	Resilience of Companies & Society Support a society that combats environmental changes	<ul> <li>Collaborate with society to improve environmental resilience (verify and share information about mitigating climate change)</li> </ul>	Launch of discussions aimed at the collaborative development of cartridge batteries and sharing of disaster forecasts based on data from the Japan Meteorological Agency with transportation partners	Addition of function for collecting data on greenhouse gas calculations to an application understanding the operational status of transportation partners
0 0 0 0	environmental changes	■ Provide environmentally friendly products and services*7	Determination of evaluation methods and standards for the environmental burden and effects of services and products	f
dium-Te	erm Social Plan 2023	<u></u>		
	Material Issues	Targets for the Fiscal Year Ending March 31, 2024	Progress in the Fiscal Year Ended March 31, 2022	Examples of Initiatives
		■ Improve operating revenue per employee	<ul> <li>Operating revenue per employee: ¥12,550,000 (107.9% compared with the fiscal year ended March 31, 2021)</li> </ul>	Expansion of scope for expired paid leave and dependency allowance as part of treatm development of equal pay for equal work
	Labor Create a work environment where	Reduce overtime for employees 20% compared with the fiscal year ended March 31, 2021	■ 11.4% decrease	<ul> <li>Expansion of scope for specialized human resource system</li> <li>Completion of development of support system for life events, such as a redundancy pay system and an insurance system</li> </ul>
	employees can thrive			Launch of educational organization (Kuroneko Academy) and completion of creation of

Medium-16	IIII SOCIAL FLAIT 2025			
	Material Issues	Targets for the Fiscal Year Ending March 31, 2024	Progress in the Fiscal Year Ended March 31, 2022	Examples of Initiatives
		■ Improve operating revenue per employee	<ul> <li>Operating revenue per employee: ¥12,550,000 (107.9% compared with the fiscal year ended March 31, 2021)</li> </ul>	Expansion of scope for expired paid leave and dependency allowance as part of treatment and development of equal pay for equal work
	Labor Create a work environment where			Expansion of scope for specialized human resource system
		Reduce overtime for employees 20% compared with the fiscal year ended March 31, 2021	■ 11.4% decrease	Completion of development of support system for life events, such as a redundancy payment system and an insurance system
	employees can thrive	Achieve 90% annual paid leave utilization	■ 90.5% usage rate	<ul> <li>Launch of educational organization (Kuroneko Academy) and completion of creation of an in-house instructor system</li> </ul>
				Increase in training opportunities for employees through introduction of video training tools
0 0 0		Achieve 100% attendance at human rights training for all employees	■ Held human rights training for 390 new assistant managers	Formulation of Yamato Group Human Rights Policy and commencement of human rights training for employees
	Human Rights & Diversity	Francisco de la francisco de l	200	<ul> <li>• Translation of work rules, employment documents, and workplace notices into numerous languages</li> </ul>
AL	Create a corporate culture that respects human rights and diversity	■ Ensure percentage rate of employees with disabilities is 2.5%	2.6%	Introduction of a system to support diverse workstyles that utilize the in-house intranet and share information on role models for female managers in the internal newsletter
	respecto manual rights and arresting	Double the number of women in management (executives) compared with the fiscal year ended March 31, 2021, and ensure 10% of all managers are women	■ 1.03 times (384 women)/5.6%	<ul> <li>Implementation of training for managers responsible for promoting employment of people with disabilities and sharing of productive examples of employment of people with disabilities</li> </ul>
		■ Achieve zero serious traffic accidents (fatal traffic accidents for which the Company is responsible)*3	Zero accidents	
	Cafala O Canada	Reduce number of traffic accidents (where bodily injury occurs) 50% compared with the fiscal	- A7-40/ I	Provision of coaching through ride-along guidance and dashcam videos
	Safety & Security Create initiatives to carry out business in a safe and secure manner	year ended March 31, 2020*3	27.1% decrease	Implementation of safety training and skill tests for safety experts
		Achieve zero serious occupational diseases (work-related deaths)*3	Zero	<ul> <li>Introduction of equipment for supporting safe driving (rear sensors)</li> <li>Creation of operational implementation system in accordance with the occupational health an</li> </ul>
		Reduce frequency of lost workday injuries*a by 20% compared with the fiscal year ended March 31, 2020*3	9.5% increase	safety management system
	Data Utilization & Security  Create an information security infrastructure	Develop an infrastructure for creating businesses that utilize data to resolve social issues	Completion of system and framework for the organizational implementation of data inquiries and data coordination	Consideration of measures for reducing risks in utilizing and applying data
		Achieve zero serious information security incidents	■ Zero	Information security training for all employees (100% attendance rate)     Provision of video training for business partners (part-time workers, Kuroneko Mate, pickup and
		■ Ensure 100% deployment of information security managers at major organizations and 100%		delivery consignment, and subcontractors)
		implementation of training for information managers*4	<b>1</b> 00%	Establishment of a specialized department for cybersecurity measures (YAMATO CSIRT)
			Formulation of Yamato Group Responsible Procurement Policy	
	Supply Chain Management	Complete development and demonstration of monitoring frameworks.	, , , , , , , , , , , , , , , , , , , ,	Preparation for the implementation of monitoring tests (such as the selection of key suppliers
	Develop a common understanding with	Complete development and demonstration of monitoring framework*4		and examination of questionnaires)
	stakehólders		Formulation of Yamato Group Business Partner Guidelines	
000	Community	Complete development of a framework to measure effectiveness of corporate citizenship - ***	Formulation of guidelines for corporate citizenship activities	<ul> <li>Finalization of corporate citizenship activity policy and important themes (safety, the environment, diversity and inclusion, and community)</li> </ul>
	Create corporate citizenship activities that are rooted in local communities and create a frame-	<ul> <li>Complete development of a framework to measure effectiveness of corporate citizenship activities and business in resolving social issues</li> </ul>		Examination of the system for promoting corporate citizenship activities
W W	work for business creation	····	■ Determination of important themes for businesses that resolve social issues	Creation and development of an in-house promotion system aimed at resolving social issues

\*1 In-house emissions of consolidated companies in Japan and Swan Co., Ltd. (Scope 1 & Scope 2) \*2 tCO:e/operating revenues of ¥100 million \*3 For consolidated companies in Japan and Swan Co., Ltd. \*4 For Yamato Transport \*5 Paper materials refer to cardboard for shipping, pickup and delivery materials, etc. \*6 Equivalent to reduction by half compared with the past \*7 Products and services with environmental value and a low burden on the environment \*8 Number of work-related fatalities and injuries per million working hours

# **Environmental Strategies for Realizing Green Logistics**

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

We recognize the risks and opportunities of climate change as a management issue. Accordingly, we are pursuing services that help reduce greenhouse gas (GHG) emissions, in addition to reducing the environmental impact of our business. We are also undertaking serious efforts to mitigate and adapt to climate change while making proposals for deregulation and collaborating with local governments in order to achieve Sustainable Medium-Term Plans 2023 and our long-term target of realizing climate neutrality.

### Initiatives Based on the Recommendations of the TCFD

The Yamato Group understands that revealing the risks and opportunities faced by and presented to society and the Company by climate change issues, evaluating the impacts thereof, and formulating countermeasures are essential for the sustainability of the business. We have carried out scenario analyses of Yamato Transport in the fiscal year ended March 31, 2022, based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and announced our support for the TCFD recommendations in September 2022.

While enhancing the sustainability of the Group by clarifying the business impacts of climate change and engaging in countermeasures focused on issues that have a significant impact, we will enhance corporate value by holding dialogues with stakeholders.

### 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 is the supervisor responsible for the environmental management system. Important matters, such as basic Groupwide environmental policies, which include environmental issues discussed by the Yamato Group Environment Committee, are debated and decided on at Management Committee meetings and Board of Directors or management meetings

Executive officers in the environmental field, regional directors, and presidents of Group companies are responsible for ensuring the implementation, maintenance, and supervision of environmental management, in addition to being 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 change, as environmental managers.

For the framework, please refer to page 32

# Strategy

The Yamato Group believes that it is important to divide the consideration of climate change-related environmental risks into appropriate periods of time, since they have the potential to impact the business activities of the Company and its stakeholders over the long term. Thus, the Group will look ahead to the period between the fiscal year ended March 31, 2022, and the fiscal year ending March 31, 2024-which is the period of the Medium-Term Environmental Plan 2023-2030, which has been set as the fiscal year for medium-term targets, and 2050, which has been set as the fiscal year for long-term targets, with reference to the targets formulated by the Japanese government for reducing GHG emissions. We will consider transition risks, such as the introduction of policies and regulations by the Japanese government and changes to market needs, and physical risks, such as abnormal weather brought about by climate change, and will respond to risks and opportunities by reflecting them in the Group's strategies.

We evaluated physical risks, such as the suspension of operations due to the increasing severity and frequency of abnormal weather and expanding repair costs owing to damage to and loss of facilities and equipment caused by abnormal weather, as shortterm risks. Furthermore, we evaluated the transition risk of increasing costs due to the introduction of a carbon tax as a result of revised policies and laws as a medium- to long-term risk.

Meanwhile, regarding opportunities, we also identified significant potential for future financial benefits, such as falling costs due to energy conversion and increased efficiency, in line with the lowcarbon transition, and increasing revenues supported by customers with a heightened awareness of our proactive, environmental response to climate change mitigation and adaptation. We recognize that our finances will be severely impacted if a carbon tax is imposed on GHG emissions resulting from Yamato vehicles and facilities. If we are unable to meet the demands of the low-carbon transition to reduce GHG emissions, our finances will be significantly impacted by a decrease in revenues due to changes in customer needs against a backdrop of increased environmental awareness. As such, we are introducing electric vehicles (EVs), installing solar power generation equipment, and transitioning to use of electricity generated via renewable energy sources to reduce GHG emissions. Furthermore, as a response to physical risks, we open stores by utilizing hazard maps and periodically review our business continuity planning manual to prevent the suspension of operations due to an increase in the severity and frequency of abnormal weather and expanding repair costs due to damage to and loss of facilities and equipment caused by abnormal weather.

Going forward, we will continue to assess the impact of the risks and opportunities that may arise.

#### STEP 1 Assessment of Risk Importance

Assumed time period; short term (up to 2023), medium term (up to 2030), and long term (after 2030) Level of importance; high (annual financial impact of over ¥10 billion), medium (between ¥1 billion and ¥10 billion), and low (less than ¥1 billion)

	R	isk Classification				Level
Major category	Core category	Subcategory	Assumed time period	Risk	Opportunity	of Importa
		Carbon price	Medium term	• Reduction in revenues due to inability to reflect carbon tax in price	<ul> <li>Increase in revenues through sale of low-carbon logistics as high added value</li> </ul>	High
	Policy and Legal	Reinforcement of mandatory emis- sions reporting	Medium term	<ul> <li>Decrease in revenues after loss of customer trust if errors are detected in our reporting</li> <li>Increase in system development costs and personnel expenses in response to requirement by clients for precise GHG emissions</li> </ul>	_	Low
	Technology	Increase in expecta- tion to introduce new technology and provide high-value- added services	Medium term	Decrease in revenues due to delay in popularizing methods of transportation and materials that reduce GHG emissions following transition to a low-car- bon society	<ul> <li>Increase in revenues by being selected as a partner by customers through introduction of methods of transportation that reduce GHG emissions following transition to a low-carbon society</li> </ul>	Low
		Demand for realizing low-carbon transportation	Medium term	<ul> <li>Increase in costs following introduction of low-carbon vehicles and equipment</li> </ul>	<ul> <li>Decrease in procurement costs due to transition from use of fossil fuels to electricity by trucks if low-carbon transportation, such as EVs, is actively introduced</li> </ul>	Mediu
on risks		Changes in energy mix	Medium term	• Increase in cost of energy used by vehicles and facilities as a result of rising fuel and energy prices due to popularization of energy conservation	<ul> <li>Increase in energy self-sufficiency and decrease in energy costs due to introduction of renewable energy generators and power generation equip- ment and to promotion of energy-saving activities</li> </ul>	Mediu
Transition risks	Market	Increase in environmental awareness of consumers, corporate clients, and regular customers	Medium term	Decrease in revenues due to avoidance of Yamato services if the Company's efforts to reduce GHG emissions throughout supply chains of customer companies and organizations are insufficient as well as to increased awareness of climate change and ethical consumption by consumers	Increase in revenues due to Yamato services being selected worldwide, particularly within the European Union, where environmental awareness is high, and by customer companies and organizations—whose entire supply chains have seen reductions in GHG emissions—as well as a heightening of awareness regarding climate change and ethical consumption by consumers if their needs can be met Reduction of working hours and related costs through enhancement of delivery efficiency as a result of a drop in people being away from home at the time of delivery	High
		Criticism of industrial sectors	Medium term	<ul> <li>Reduction in revenues if low-carbon transportation cannot be realized, since there are high expectations for transportation as Scope 3 in other industries</li> </ul>	_	Low
	Reputation	The impact on fundraising	Medium term	Difficulties with fundraising if Yamato business is not classified as sustainable	Increase in ease of fundraising as a result of diversification of financing following transition to a low-carbon society Realization of stock price stability and expansion of investment as making a high reputation on the environmental initiatives	Low
	Acute	Increased severity and frequency of abnormal weather	Short term	Decrease in revenues as the frequency of abnormal weather increases and causes numerous cases where operations are suspended due to injury to employees, delays in recovery at afflicted facilities, and power and fuel supply shortages. Decrease in revenues if our customers cannot ship packages as a result of damage to customer facilities or products. Increase in damage to and loss of logistics facilities, equipment, and freight, as well as the associated repair costs	Increase in revenues by enhancing our natural disaster response capability following a rise in demand from customers who worry about the increasing severity of natural disasters in the future Reduction in loss of business opportunities and costs related to recovery by quickly relocating facilities to places with a low risk of damage	Medi
al risks		Changes in rainfall patterns and extreme fluctuations in weather patterns	Medium term	<ul> <li>Decrease in revenues by reducing shipping volume from customers suffering severe impacts from climate change and water risks</li> <li>Increase in response costs after delivery delays arise due to road infrastruc- ture being cut off because of flooding</li> </ul>	-	Low
Physical risks		Rising sea levels	Long term	<ul> <li>Increase in costs due to water damage response costs and the impact of rising insurance rates at logistics facilities positioned in coastal areas follow- ing a rise in sea levels</li> </ul>	_	Low
T.	Chronic	Rise in average temperatures	Long term	<ul> <li>Increase in the number of employees suffering from poor health, such as heatstroke, due to rising average temperatures, as well as a difficulty in per- sonnel recruitment in addition to higher employee turnover leading to an increase in costs, such as personnel expenses and recruitment costs</li> <li>Increase in heating and lighting expenses as a result of high energy consump- tion costs related to temperature control in logistics facilities due to rising average temperatures</li> <li>Decrease in revenues from delivery of fresh produce due to inability to harvest local products</li> </ul>	_	Low

#### STEP 2 Definition of Scenario Categories

We predicted two scenarios (referencing the 1.5°C scenario and 4°C scenario, as well as the 2°C scenario when no scenario exists for 1.5°C) for Yamato Transport in the fiscal year ended March 31, 2022, based on information\* from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA).

\* Includes the RCP8.5 global warming scenario created by the IPCC as well as the Net Zero Emissions by 2050 Scenario, Sustainable Development Scenario, and Stated Policies Scenario created by the IEA

1.5°C Scenario	The incurrence of costs associated with reducing GHG emissions will become necessary and we must enforce stricter regulations and higher fuel and electricity costs; however, sustainability is the key to creating and offering competitive products.
4°C	While we will continue to practice our current style of management, incurring costs

#### STEP 3 Evaluation of Business Impact For Yamato Transport

regarding decreasing revenues and increasing repair costs for abnormal weather and disasters By 2050: ¥3.8 billion

heavy rain resulting from increasingly severe typhoons and linear and increasing repair costs for rainbands, and repair costs for damaged facilities and equipment due to a specific speci

Note: Calculated by referencing past disasters

Financial impact due to introduc- Business impact related to calculations if a carbon tax is fully introduced, assuming no measures are taken after the current Sustainable Medium-Term Plan 2023

By 2030: ¥13.3 billion By 2050: ¥25.6 billion

Note: Estimated using carbon tax prices of \$130 per ton (2030) and \$250 per ton (2050)

We determine the business impact by referencing energy-related indexes, such as the carbon pricing published in the  $\frac{1}{2}$ World Energy Outlook by the IEA. Furthermore, to understand changes in trends, we reference data, including the frequency of flooding, published by the Japanese Ministry of Land, Infrastructure, Transport and Tourism; the Ministry of Education, Culture, Sports, Science and Technology; and the Japan Meteorological Agency in light of climate change,

#### STEP 4 Direction of Countermeasures

Opening of stores by utilizing hazard maps and periodic reviews of our business continuity planning manual

necessary.

• Examination of disclosing information on efforts to adapt to climate change internally and to our business partners

• Commencement of testing for use of renewable energy and EVs with cartridge batteries that enhance resilience

Continual reevaluation of business impact going forward while adding extra prerequisites, such as enhancing
predictions for location and scale of occurrences of incidents, and continuous examination of countermeasure

 Implementation of measures to achieve targets for reducing GHG emissions by 2030 (48% reduction compared with the fiscal year ended March 31, 2021)

Introduction of 20,000 low-carbon vehicles (mainly EVs), installation of 810 solar power generation equipment, etc. 
⇒ Expected result: Reduction of business impact due to introduction of carbon tax by 2030 (¥6.1 billion decrease)

Implementation of measures to achieve targets for climate neutrality by 2050
 Introduction of low-carbon vehicles, including EVs with cartridge batteries, further installation of solar power

eration equipment, reinforcement of other measures, etc. ⇒ Expected result: Elimination of business impact due to introduction of carbon tax by 2050

· Examination of introducing internal carbon pricing with the aim of proactive capital expenditures in low-carbon transition

# Risk Management

Yamato Holdings has created a dedicated department responsible for promoting the Groupwide response to climate change. Additionally, we are promoting said response by deploying an environmental officer (president and representative director) and an environmental promotion representative to each Group company.

With the president as chairperson and members comprising executive officers and regional executive officers of Yamato

Transport, and the presidents of major Group companies, the Yamato Group Environment Committee meets once a year and shares information about and discusses issues and risks related to the environment, including climate change. Key agenda items are appropriately discussed and resolved at Management Committee meetings and Board of Directors meetings.

# Indicators and Targets

Targets for reducing GHG\* emissions

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

Short Term: 10% decrease by 2023 compared with the fiscal year ended March 31, 2021

Medium Term: 48% decrease by 2030 compared with the fiscal year ended March 31, 2021

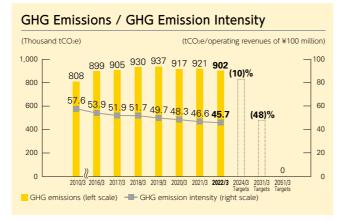
Long Term: Virtually zero emissions (Climate neutrality) by 2050

Targets for percentage of electricity generated via renewable energy sources

Short Term: 30% by 2023 Medium Term: 70% by 2030

We will implement measures for achieving the above targets and create green logistics in collaboration with our business partners to reduce GHG emissions across the entire value chain (Scope 3). At the same time, we will consider the feasibility of acquiring certification for achieving the 1.5°C target of the Science Based Targets initiative.

Introduction of Low-Carbon Vehicles Risk Reduction Opportunity Creation



Note: Some data from the fiscal years ended March 31, 2021, has been revised

For details on the initiatives based on the recommendations of the TCFD, please refer to our corporate website.

https://www.yamato-hd.co.jp/english/csr/environment/tcfd.html

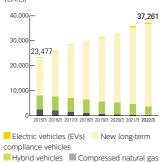
## Concrete Initiatives for Achieving Climate Neutrality

One of the Company's main measures is the introduction of

20.000 FVs. From November 2021, we carried out demonstration tests of the ultra-low-floor, walkthrough, light-duty batteryelectric vehicle (EV) Hino Dutro Z EV in collaboration with Hino Motors and confirmed that the vehicle sufficiently reduced GHG emissions, increased efficiency, and decreased the workload in pickup and delivery operations. From the fiscal year ending March 31, 2023, we will gradually introduce 500 vehicles, mainly in urban areas.



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



Liquefied petroleum gas (LPG) vehicles

Features of Vehicles

· Ultra-low-floor design · Compact chassis Low hip-point · High degree of quietness

#### Standardization and Commercialization Risk Reduction Opportunity Creation of Cartridge Batteries

Yamato Transport and Commercial Japan Partnership Technologies Corporation (CJPT) began studies to standardize and commercialize removable and portable cartridge batteries as part of energy management aimed at achieving a carbon-neutral society.

We will advance the utilization of Electric Vehicles (EVs) and green power and examine ways to contribute to local communities (resilience) by supplying energy, such as delivering cartridge batteries during disasters and to regions where it is difficult to maintain a power infrastructure.

#### **Details of Study and Expected Results**

- 1. Decrease in costs of introducing EVs: Reduce vehicle costs by equipping them with batteries sufficient for distance traveled
- 2. Decrease in burden of charging for drivers: Reduce workload by shortening charging times and simplifying operation
- 3. Decrease in logistics downtime: No interruptions during pickup and delivery operations since vehicles do not need to stop for long while charging their hatteries
- 4. Standardization of demand for electricity: Charge replacement batteries even when vehicles are not in operation to optimize contracted volume of electricity by spreading out charging time

Note: CJPT is a company that plans and develops CASE (connected, autonomous, shared & service, and electric) technology for commercial vehicles and which is funded by four car manufacturers

#### Examination of Common Global Standards for Calculating GHG Emissions in the Logistics Domain with DPDgroup Opportunity Creation

In July 2022, Yamato Holdings and France's DPDgroup, which has the largest delivery network in Europe, signed a basic agreement with the aim of cooperating in the environmental domain, such as by examining common global standards for calculating GHG emissions. Both companies will collaborate and carry out initiatives in the environmental domain to realize a sustainable society and green logistics.

#### Details of Agreement

#### Examination of Common Global Standards for Calculating GHG Emissions in Logistics

Visualization of corporate GHG emissions across the entire supply chain by standardizing basic calculations utilized by individual logistics companies

#### Sharing of Knowledge in the Environmental Domain

Sharing of information in four fields (climate change mitigation, air pollution prevention, resource-recycling promotion, and resilience improvement for society and

#### Development and Demonstration Projects to Realize Green Delivery Risk Reduction Opportunity Creation

Yamato Transport will quickly identify issues that could emerge if EVs are introduced on a large scale and develop technology with large-scale demonstrations to resolve these issues.

These demonstration projects have been subsidized by the New Energy and Industrial Technology Development Organization (NEDO), a national research and development agency in Japan.

# Introduction and Operation of EVs to Realize Green Delivery

#### Overview

In addition to transforming all pickup and delivery vehicles in Gunma Prefecture (approximately 800) into EVs and installing solar power generation equipment (PVs), we will develop and promote energy systems with the aim of establishing methods for operating EVs as soon as possible. Furthermore, we plan to introduce EVs that utilize cartridge batteries in the latter half of the demonstration period.

#### Details of Demonstration

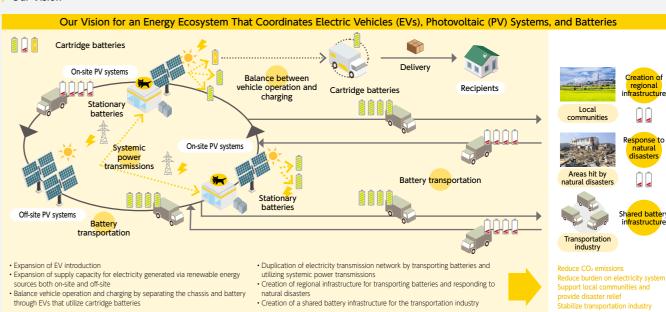
Demonstration Period: Fiscal Year Ending March 31, 2023 to Fiscal Year Ending March 31, 2031 (Scheduled)

We will continue to consider the optimal vehicle and charging-point layout for operating umerous EVs within our facilities while developing an infrastructure for collecting data on EV operations.

We will develop and operate a system for standardizing battery charging to control beak electricity use due to EV charging, which tends to be concentrated during the hight, and reduce the load on the power grid.

o avoid wasting surplus electricity generated via renewable energy sources during the lay, we will flexibly distribute this power to facilities where electricity is in short supply.

#### Our Vision



#### KPIs Targets for CO<sub>2</sub> Emission Reduction within Demonstration Project Area and Targets for EVs within the Prefecture

	2023/3	2024/3	2025/3	2026/3	2027/3	2028/3	2029/3	2030/3	2031/3
Number of EVs within the prefecture		200 Unit			Transform all vehicles into EVs			$\longrightarrow$	Transform all vehicles into EVs with cartridge batteries
Targets for CO <sub>2</sub> emissions reduction*					CO <sub>2</sub> emissions generated by vehicles Reduction of 5,000 t				CO <sub>2</sub> emissions generated by vehicles Reduction of 7,500 t

\* Within the demonstration project area, compared to the fiscal year ended March 31, 2021

Note: The prerequisite coefficient for CO2 emissions is 0.000447tCO2/kWh (Ministry of Environment, the emission coefficients of individual power companies, etc.; TEPCO base CO2 emission coefficient for the fiscal year ended March 31, 2021).

Reference: https://ghg-santeikohyo.env.go.jp/files/calc/r04\_coefficient\_rev4.pdf (Japanese only)

# **Human Resource Management That Supports** the Shift to an "Innovating Delivery Business"

The Yamato Group's greatest asset is its approx. 210,000 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 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.



#### Human Resource Strategies Aimed at Achieving Sustainable Enhancement of Corporate Value

Initiatives to Reinforce Sustainability in the HR Domain Human Resource Initiatives to Achieve

Value Provision from End to End

**Fundamental Initiatives** (Reinforcement of Group Capabilities):

Cultivation of a corporate culture that respects human rights and diversity and development of a working environment where employees can thrive

#### Initiatives for Further Growth:

Creation of a system and recruitment and training to enable high performance by frontline personnel and specialized personnel (such as those in corporate sales, logistics, and digital domains)

### Human Resource Initiatives to Achieve Value Provision from End to End

## **Development of Frontline Human** Resources to Reinforce Our Frontline Capabilities

To enhance the job satisfaction of frontline employees and achieve sustainable growth, we are promoting the basic construction of a human resource management cycle for evaluation, deployment, training, and compensation. We will realize this cycle by redefining the duties required of each occupation based on management strategies, by clarifying the roles required of each employee, and 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 reengineering in order to create customer-facing time for employees and further reinforce frontline capabilities.

### 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 based on the definitions of duties, and to ensure smooth recruitment of mid-career hires required for immediate employment and optimal placement.

Creation of a Human Resource System to Develop Specialized Human Resources Linked with Management Structural Reform

We are striving to create a Human Resource 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.

### Creation of Basic Foundation for a Training Structure That Utilizes Our Academic Organization

We utilize an academic organization that has deployed internal instructors and are creating a basic foundation for a training structure that uses external instructors to function as the core of human resource development at the Yamato Group. We are aiming to enhance our human resource development organizational capabilities that support the shift to being an "Innovating Delivery Business" through the reinforcement of education based on position, with a focus on executives, position-based training for employees on the front line, 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.

#### Topic

### Development of Human Resources in Corporate Sales Who Can Play Active Roles in Global Business

The Yamato Group aims to become a management partner (LLP: ead Logistics Partner) for corporate clients through the innovation of supply chains and business processes as well as the implementation of structural reforms. To achieve this goal, we will promote the development of human resources in corporate sales who can play active roles in global business.

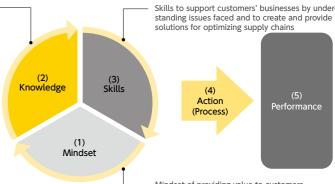
From the fiscal year ended March 31, 2022, we have been implementing systematic training for international and domestic human resources in corporate sales in order for them to gain the mindset, knowledge, and skills required for their position. In the fiscal year ending March 31, 2023, we have been working to enhance our

knowledge and skills for the purpose of gaining a deeper understanding of our customers' industries, businesses, and entire supply chains so as to propose concrete solutions for customer management issues. Accordingly, we are providing training on business analysis, more practical corporate sales seminars, and training to improve solution sales skills, in addition to acquiring related qualifications and improving language skills. Furthermore, we are aiming to maximize performance by creating a system for managers to evaluate and support the quality and quantity of actions taken when carrying out their activities.

#### Designing a Program for Employees to Attend Seminars Tailored to Their Experience and Skills

Knowledge related to customers industries, businesses, and supply chains

- Mindset training for human resources in corporate sales
- Corporate sales seminars for acquiring practical skills
- Training to enhance solution sales skills that utilizes SPIN\*
- Business analysis training
- Promotion of acquisition of logistics-related certification
- Support for improving language skills, etc.
- \* A sales method that utilizes an interview framework that identifies customer circumstances and issues to clarify latent needs



Mindset of providing value to customers, colleagues, and society and giving our own



Corporate sales seminar attended by 759 employees from around Japan and overseas, including remotely



Instructor: Hiroshi Etani Senior Managing Executive Officer, Yamato Transport Co., Ltd. Responsible for Overseeing Corporate Sales and

### Continuing to Grow as a Team with the Aim of Resolving Customer Issues



National Industry Man Transport Co., Ltd.

Tatsuya Shirai

Appointed in April 2022, I am responsible for customers in the food production and service industries. Currently, we are striving to enhance our knowledge and skills through training and other methods to continue expanding the value we provide to customers. I have participated in corporate sales seminars, training to enhance solution sales skills, and business analysis training and, while I have learned new information. I was also able to reaffirm the basics of corporate sales. As well as acquiring this information myself, I am working to raise the level of team capabilities to strengthen the entire organization by conducting training for the 15 members of

my current team. Furthermore, in addition to visiting customer sites to enhance knowledge and deepen understanding of our customers' industries, we are continuing with self-improvement by learning from various related literature, building relationships with customers who operate globally, and acquiring language skills that can be used in business negotiations in order to resolve issues

As a management partner for our customers, we will continue to grow together to become a team capable of suggesting issues that our customers are not even aware of and accordingly providing them with solutions.

Human Resource Management That Supports the Shift to an "Innovating Delivery Business"

# Initiatives to Reinforce Sustainability in the Human Resource Domain

Targets for Sustainable Medium-Term Plans 2023 (2024/3) and Results for the Fiscal Year Ended March 31, 2022 (Labor and Human Rights & Diversity)

	2024/3 Targets	2022/3 Results		2024/3 Targets	2022/3 Results
Operating revenue per employee	15% increase (compared with the fiscal year ended March 31, 2021)	7.9% increase (¥12,550 million)	Attendance rate at human rights training	100%	Held human resource training for 390 newly appointed executives
Overtime hours per employee	20% decrease (compared with the fiscal year ended March 31, 2021)	11.4% decrease (186 hours)	Percentage rate of employees with disabilities	2.5%	2.6%
Annual paid leave utilization	90%	90.5%	Number and percentage of women in management (executives)	Double (compared with the fiscal year ended March 31, 2021) / 10%	1.03 times (348 women) / 5.6%

#### **Major Initiatives**

#### Working Styles Awareness Surveys Labor (Working Environment Development)

We have been conducting Working Styles Awareness Surveys with employees across the Yamato Group to understand the current working environment and make improvements. The survey for the fiscal year ended March 31, 2022, showed a decrease in all indicators, and the Group has positioned the improvement of job satisfaction as a priority issue. To enhance items that strongly correlate with job satisfaction, we are working to advance mutual understanding through smooth communication and create a working environment that respects diverse approaches and values. These efforts include implementing workplace discussions at all regional branch offices of Yamato Transport between February and March 2022 with the goal of creating mutual understanding between frontline employees and management and cultivating a sense of unity under One Yamato. By continuing to establish issues and engage in measures based on the results of these surveys, we will promote the development of a working environment, from the perspectives of being employee-friendly and rewarding, that enables employees to work enthusiastically.

# 80 729 689 649

Working Styles Awareness Surveys

20 0 2018/3 2019/3 2020/3 2021/3 2022/3 Employee-friendly - Rewarding

Desire to continue employment

#### Promotion of Advancement for Women in the Workplace Human Rights & Diversity

We are developing a working environment that empowers women employees with the capability and will to play active roles as managers and continues to motivate them with the aim of being a vibrant company where capable people can actively contribute, regardless of gender. Through questionnaires and interviews, we analyzed obstacles for women aiming to become managers and identified various worries that are unique to women in management, who are a small minority in the Yamato Group, such as feeling uncertain about workstyles or management. We are creating opportunities for existing managers and senior female employees to share their experiences and implementing training for not

only women who are aiming to become managers but also their managers to improve awareness among the employees themselves as well as the people around them. Additionally, we aim to increase the number of women in management by introducing systems that support diverse workstyles through the Company intranet and sharing information about the role models through the utilization of in-house newsletters. We will continue engaging in the enhancement of a working environments for all managers and promote the long-term advancement of women in the workplace.

# Creation of a Corporate Culture and Working Environment where Diverse Employees Can Play Active Roles Human Rights & Diversity

Under the Yamato Group Human Rights Policy and the Basic Policy on Diversity, we are creating a working environment that respects the diversity of employees and is employee-friendly. We established an LGBTQ\*1-related external consultation contact point in July 2022 for the discussion of concerns related to sexual orientation and gender identity faced by employees in the workplace and to support the improvement of the working environment. To ensure that such concerns are not revealed within the workplace without consent, external staff (such as members of the LGBTQ community and counsellors) who have knowledge and understanding of LGBTQ-related issues are available to respond and, if an in-house response is necessary, disclose information to the workplace with the consent of the person requesting a consultation.

Additionally, under the transformation plan "YAMATO NEXT100," we have adopted "Through co-creation and fair business activities, help create a society that 'leaves no one behind'" as our Social Vision. To realize

this vision, we have included the percentage rate of employees with disabilities in the key targets for our Sustainable Medium-Term Plans and are promoting recruitment. Furthermore, we developed the Yamato Original Universal Manners Test\*2 in collaboration with Mirairo Inc. and managers have begun to give seminars that enable employees to offer the appropriate help and support for customers with disabilities in their daily operations. Through this test, we aim to enhance the universal manners of employees and contribute to achieving a society that respects human rights and diversity.

# 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 210,000 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 the 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 upper 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 upper 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.

# Key Targets for Sustainable Medium-Term Plans 2023 (2024/3) and Results in the Fiscal Year ended March 31, 2022 (Safety and Security)

	2024/3 Targets	2022/3 Results
<ul> <li>Number of serious traffic accidents (fatal traffic accidents for which the Company is responsible)</li> </ul>	0	0
Number of traffic accidents (where bodily injury occurs)	50% decrease (compared with the fiscal year ended March 31, 2020)	27.1% decrease
<ul> <li>Number of serious occupational diseases (work-related deaths)</li> </ul>	0	0
• Frequency rate for lost workday injuries*	20% decrease (compared with the fiscal year ended March 31, 2020)	9.5% increase

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

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<sup>\*1</sup> A general term for sexual and gender minorities that comprises the first letters of the English words lesbian (L), gay (G), bisexual (B), transgender (T), and questioning/queer (Q)

<sup>\*2</sup> A test that identifies the required mindset, actions, and disposition for dealing with various people and enables participants to systematically learn about the mindset and knowledge necessary for practicing universal manners. One characteristic of the test is that people with disabilities supervise the curriculum and work as instructors. Mirairo Inc. hosts and conducts the test, which has been certified by the Japan Universal Manners Association.

<sup>\*</sup> Number of work-related fatalities and injuries per million working hours

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

# Initiatives for Ensuring Safe Transportation

The Safety Department of the Corporate Division at the head office of Yamato Transport is at the center of promoting initiatives for ensuring even greater safety. We are taking steps to improve the frontline working environment through efforts including the creation of a system for training safety experts\*1 and the enhancement of safety training. At the same time, we are promoting the integration of Groupwide standards and frameworks for safety management. We share key points for safe driving and other information by releasing safety communication tools for transportation partners. In the fiscal year ended March 31, 2022, there was an increase in the frequency rate for lost workday injuries due to a rise in work-related accidents, such as injuries due to falls by sales drivers during pickup and delivery. We will strive to reduce workplace injuries by establishing a Safety Awareness Day, implementing risk assessment training, and developing safety footwear that prevents slipping, among other measures.

#### Creation of an Environment That Enables Employees to Work Safely

- Compliance with work safety laws and regulations and accurate management through utilization of operational support tools for safe driving
- Promotion of 5S concept (Sort, Set, Shine, Standardize, and Sustain) and establishment of operations manuals that standardize office layouts and safe operations
- Risk assessments, inspection of work sites by building managers, and periodic checks by third parties
- ▶ Elimination of risks on a regional basis through introduction and inspection of safety equipment

Introduction of Neco-Assi—Visualize Driving and Support Safe Driving through In-Vehicle Terminals with Communication Functions That Integrate Dashcams and Digital Tachographs

#### Main Function

- Confirms footage from dashcams (locations of near-miss experiences)
- Automatically records location of near-miss experiences on a map and makes warning announcements when passing through
- Sounds alarm when driver forgets to set the handbrake (prevent accidents caused by self-negligence)
- Displays driving routes on a map and checks operational management system (in real time)

#### Implementation of High-Quality Safety Training Catered to Individuals

- Professionalization of safety experts and improvement of safety guidance skills
- Enhancement of safety knowledge and driving skills through regular training for safety experts
- Confirmation of behavior changes in driving as well as understanding and improvement of individual issues through scheduled ridealong guidance and training with dashcam footage
- Detection of changes that foreshadow accidents and provision of appropriate guidance by utilizing data from driving, operations, and driver aptitude examinations
- Provision of training to understand correct methods for and dangers of using loading and unloading machinery, including forklifts, tailgates, and conveyor belts

# Implementation of Campaigns and Other Initiatives Aimed at Enhancing Safety Awareness

- Implementation of campaigns to ensure zero traffic accidents, an in-house driving contest (Yamato Transport Nationwide Safety Meet)\*2, and campaigns to prevent work-related accidents
- ▶ Promotion of acquiring G mark certification (Motor Truck Transportation Business Operator Safety Assessment Project)
- Implementation of safety measures together with transportation partners and development of a safe and secure working environment necessary to engage in campaigns promoting the White Logistics Movement, which complies with laws and regulations for acquisition of G mark certification
- \*1 We have deployed 368 safety experts nationwide (as of March 2022). On a daily basis, safety experts inspect stores within their jurisdiction, provide guidance to enhance the individual driving skill level and ensure sales drivers comply with laws and regulations, and thoroughly engage in preventing traffic and work-related accidents.
- \*2 During the fiscal years ended March 31, 2021, and March 31, 2022, these driving contests were not held due to the COVID-19 pandemic.

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

**Quality Management** 

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.

### Aim to maintain and improve service quality in the eyes of our customers Groupwide Aim to become the best partner for both individual customers and corporate clients



#### Efforts to Maintain and Improve the Quality of Service

#### 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 the degree of loyalty (including trust, attachment, and favorable impression) customers have toward our products and services. It also generally has a high correlation with revenues.



#### 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 understand current circumstances, analyze issues by linking with business intelligence (BI) tools,\* and quickly make improvements.

\* BI tools are tools that consolidate and analyze various data accumulated within the Group and utilize this data in business decision-making



#### Sharing and Reporting of Initiatives for Improving Products and Services

We are working to improve our products and services at Yamato Transport with the aim of enhancing customer experiences and convenience. We strive to make improvements based on customer opinions and requests, sharing and reporting them on our corporate website under "Examples of improvement based on customer feedback."



For details on "Examples of improvement based on customer feedback," please refer to our website of Yamato Transport (Japanese only).

https://faq.kuronekoyamato.co.jp/app/customer/list

#### Training "Safety Drivers"



Shin-Miyagi Regional Branch Office Safety Expert

Hiroaki Hashimoto

Currently, I am responsible for safety guidance at five sales offices and for 162 sales drivers. I provide guidance by utilizing ride-along training in pickup and delivery vehicles and dashcams, which enables advance understanding of the driving characteristics of employees needing guidance through daily driving reports and dashcam footage. Sales drivers have varying levels of experience and diverse driving characteristics so it is essential to tailor guidance methods in order to provide accurate advice to individual drivers. Accordingly, I place high importance on discussion and aim to provide guidance that focuses on encouraging driver behavior change by building a greater

awareness of safety. Such discussions enable me to

see the personality and approach of individual drivers, which makes me feel equipped to give guidance and advice in the appropriate manner.

From April 2019, Neco-Assi was introduced to vehicles. Through footage, the system confirms issues that are difficult for sales drivers to notice by themselves, including their own driving habits and routes that are often the cause of dangerous driving. Since their driving status can be visualized as data, drivers can also assess their improvement through numerical data by comparing it with data from before they received guidance. Furthermore, this data can be utilized to review safe parking locations when picking up and delivering parcels in crowded areas, improve fuel efficiency by reducing distance traveled, and review pickup and delivery routes to reduce GHG emissions.

From the fiscal year ended March 31, 2022, safety experts became part of Yamato's expert personnel system, and I feel a great sense of responsibility for promoting safety. In order to create and instill rules for safety at work sites, I am working to enhance my coaching and management skills through in-house skills tests and educational guidance training at driving schools. I will continue efforts to support Yamato in working to train "safety drivers," who embody safety first as stated in the Employee Code of Conduct, and the next generation of safety experts.

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