

# Sustainability Initiatives: Environmental Strategies for Realizing a Sustainable Society

## Basic Approach

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

To realize our environmental vision “Connect. Deliver the future via green logistics,” we will challenge ourselves to resolve identified material issues. We set zero CO<sub>2</sub> emissions (in-house emissions) as a long-term target, with the specific awareness of the importance of the risks and opportunities presented by climate change. In addition to reducing the environmental impact of our business, we are pursuing services that help reduce CO<sub>2</sub> emissions, making proposals for deregulation, and cooperating with local governments. In these ways, we are making serious efforts to mitigate and adapt to climate change.

## Promotion System

Matters regarding important environmental management and strategies, such as important material issues, vision, long-term targets, and the medium-term plan are deliberated by the Board of Directors, which involves the participation of the Company president and directors. Executive officers are responsible for overseeing environmental issues. These officers confirm the details of such matters as climate-related risks and opportunities, the impact of such risks/opportunities on our financial position, and strategies to address these risks/opportunities. They also monitor, manage, and oversee environmental performance indicators such as greenhouse gas emissions. In addition, the Yamato Group Environmental Committee meets each quarter to discuss environmental management. The chair of this committee is selected by the executive officers responsible for overseeing environmental issues, and the committee itself comprises CSR managers from major Group companies. Furthermore, the ESG Strategy Department serves as the secretariat of the Yamato Group Environmental Committee. We are appropriately managing risks related to climate change through a Companywide management process and are aiming to improve our environmental performance.

## Environmental Management System

### The Board of Directors

Representative Director and President  
Executive officers in charge of overseeing environmental issues

The Yamato Group Environmental Committee  
Secretariat: ESG Strategy Department  
Committee members: Heads of CSR departments at major Group companies

## Initiatives Based on Recommendations of the TCFD

The Yamato Group identifies and evaluates the risks, opportunities, and impacts associated with climate change in recognition of its importance on realizing a sustainable society and on the Group itself. Furthermore, the Group engages in information disclosure based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)\*. Going forward, we will conduct scenario analysis to be reflected in business plans under Medium-Term Environmental Plan 2023, as well as confirm the operation and effectiveness of internal carbon pricing and consider its use as an investment indicator to promote low-carbon investment. Our goal is to be a company that grows alongside society by leveraging our business to mitigate and adapt to climate change, while managing risks and creating opportunities and helping to realize a low-carbon society.

\* The TCFD was established in 2015 by the Financial Stability Board (FSB) and presented its recommendations for climate-related financial disclosure in 2017.

## Targets and Results

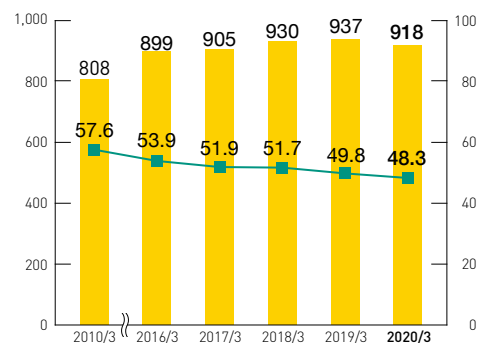
To mitigate the risks of climate change and expand opportunities, the Yamato Group has set targets to reduce CO<sub>2</sub> emissions. In addition to virtually zero CO<sub>2</sub> emissions by 2050 and a 10% reduction (compared with the fiscal year ended March 31, 2010) in CO<sub>2</sub> emission intensity by the end of the fiscal year ended March 31, 2020, we have established CO<sub>2</sub> reduction targets to achieve by the end of the fiscal year ending March 31, 2024. In the fiscal year ended March 31, 2020, Yamato System Development promoted reforms such as introducing an energy-saving air conditioning control system into their server room, which has reduced CO<sub>2</sub> emissions by approximately 30t. As a result, we have surpassed our Groupwide target of reducing CO<sub>2</sub> emission intensity by 16%. Under Medium-Term Environmental Plan 2023, with the target of 10% reduction (compared with the fiscal year ending March 31, 2021) in greenhouse gas emissions, we aim to reduce greenhouse gas emissions through various initiatives. These include utilizing electricity generated via renewable energy sources, optimizing transportation by making full use of digital technology and reducing the use of dry ice to refrigerate packages.

■ **Long-term target:** Virtually zero CO<sub>2</sub> emissions\*<sup>1</sup> by 2050 ■ **Medium-term target:** Please refer to page 30 ■ **Short-term target:** 10% reduction (compared with the fiscal year ended March 31, 2010) in CO<sub>2</sub> emission intensity\*<sup>2</sup> by the fiscal year ended March 31, 2020

▶ **Results for the fiscal year ended March 31, 2020:** 16% reduction (compared with the fiscal year ended March 31, 2010) in greenhouse gas emission intensity\*<sup>2</sup>

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

(Thousand tCO<sub>2</sub>) (tCO<sub>2</sub>/operating revenues of ¥100 million)



■ CO<sub>2</sub> emissions (left scale)  
■ CO<sub>2</sub> emission intensity (right scale)

\*<sup>1</sup> In-house emissions (Scope 1 and Scope 2) \*<sup>2</sup> Greenhouse gas emission intensity: tCO<sub>2</sub>/operating revenues of ¥100 million

## Climate-Related Risks and Opportunities, Financial Impact, and Management Strategies

### ① Policy and Legal Risks

In the case of stricter regulations on greenhouse gas emissions and increased obligations on their reduction, costs in the Delivery and BIZ-Logistics businesses may increase or be accelerated as a result of costs associated with the introduction of low-carbon vehicles and renovating facilities. This cost increase may also impact transport and administration expenses. Also, if the Delivery, BIZ-Logistics, or any other businesses are unable to meet the reduction obligations, the Company may issue fees for credit purchases.

### ■ Management

We are promoting greenhouse gas (GHG) emission reductions by monitoring energy consumption, conducting analysis, and taking a variety of energy conservation measures. Additionally, we are advancing GHG emission reductions through a shift toward vehicles with lower GHG emissions, such as hybrid vehicles and electric vehicles (EVs), and the heavy use of electrically power assisted vehicles and hand-pushed trolleys for pickup and delivery services in urban areas (as of March 2020, the Yamato Group owns approximately 5,400 electric bicycles, approximately 4,700 hybrid vehicles, and 80 electric vehicles. Please see the graph on the right “Changes in the Number of Environmentally Friendly Vehicles Owned”). We will accelerate the efficiency of home deliveries and CO<sub>2</sub> emission reductions by gradually introducing 500 small-sized, commercial-use EVs, which can be driven without a medium-sized vehicle driver’s license. In addition, we will aim to introduce low-carbon vehicles, including 5,000 EVs, half of our small-sized pickup and delivery vehicles, by 2030. Based on Medium-Term Environmental Plan 2023, we will strive to reinforce energy management and carry out field tests of new EVs and fuel cell vehicles with other industries, including trucks for long-distance travel.

### ② Physical Risks

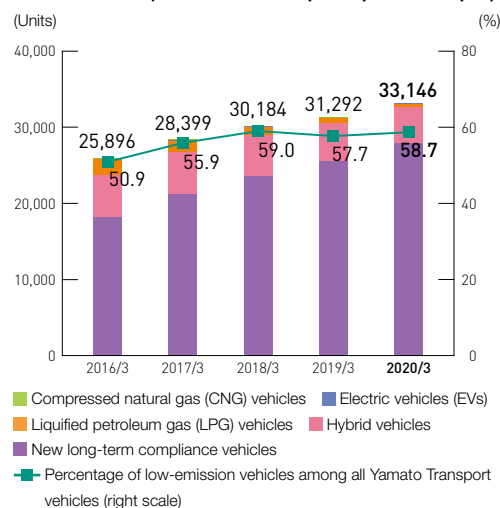
In the event of our employees being impacted by disasters or delays in business recovery as a result of the increasing severity of heavy rains, typhoons, and other weather conditions, our services could be suspended and this could have an impact on our revenue. Additionally, the increased risk of our employees suffering from heatstroke due to rising temperatures could lead to an increase in workers’ compensation and other types of insurance. Furthermore, an increase in capital expenditure and a rise in insurance premiums for facilities are also possible due to a rise in sea levels, necessitating a revision to flood countermeasures at bases with a high risk of flooding and plans for bases.

### ■ Management

We strive to ensure the safety of our employees and safeguard parcels and other items by implementing training based on the Disaster Response Manual and other responses. In the event of a suspension of TA-Q-BIN pickup and delivery services due to a disaster, we seek to minimize its impact by providing such information on Yamato Transport’s website. Furthermore, after business recovery, we cooperate in supporting disaster-affected areas by transporting relief supplies in concert with local governments and other agencies. We will also promote reinforcing resilient logistics to support mitigation and adaptation measures under Medium-Term Environmental Plan 2023. In the fiscal year ending March 31, 2024, we aim to demonstrate a model for renewable energy and EV usage that increases resilience and begin distributing information on adapting to climate change.

We manage chronic risks from the increase in average temperatures and sea levels in the following ways. First, to address the problem of heatstroke, we are investing in adaptation measures such as introducing air coolers that are suitable for work at terminals and TA-Q-BIN centers and using sweat absorbent, fast-drying fabrics in employee uniforms. Additionally, Yamato Transport is heightening its response capabilities and business continuity by assessing the risk of floods at its bases across Japan and implementing flood training.

Changes in the Number of Environmentally Friendly Vehicles Owned (Consolidated Group Companies in Japan)



### Implementation of Field Tests for Next Generation of Modes of Pickup and Delivery



With the aim of creating diverse employment opportunities and further improving the efficiency of pickup and delivery, we implemented field tests for the next generation of modes of pickup and delivery that do not emit CO<sub>2</sub> while running. Based on these tests, we will carry out improvements in order to comply with various regulations and aim to introduce these vehicles nationwide in the future.

#### ► Specifications and Features of Newly Introduced Bicycle

##### Specifications

- Three-wheeled electric bicycles
- Overall length: 270cm Overall width: 120cm
- Maximum load capacity: 120kg

##### Features

- Driver’s license not required
- No CO<sub>2</sub> emissions while running
- Removable rear cargo storage box



Transporting relief supplies in cooperation with the Self-Defense Forces after the 2011 Great East Japan Earthquake (Kesennuma, Miyagi)

## Sustainability Initiatives: Environmental Strategies for Realizing a Sustainable Society

### ③ Opportunities to Improve Resource Efficiency

An increase in opportunities to collaborate with other companies on various endeavors, such as the diversification of modes of transport and joint transportation and the reinforcement of eco-driving, may potentially lead to increased transport efficiency as well as a decline in fuel consumption and a reduction in fuel oil costs.

#### ■ Strategy

In order to provide more efficient trunk-route transportation to major cities, we are conducting joint trunk-route transportation with other logistics companies with our Super-Full Trailer 25 (a 25-meter-long connected trailer, hereinafter referred to as SF25). As this initiative was accredited by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) in 2019 under a law relating to logistics efficiency, it qualifies for subsidization aimed at improving efficiency. Furthermore, we are reinforcing eco-driving at Yamato Transport through eco-driving training and regular ride-along guidance by safety experts. In addition, we are promoting proactive strategies under Medium-Term Environmental Plan 2023, such as utilizing electricity generated via renewable energy sources, conducting field tests of a model delivery center that uses 100% renewable energy, and making full use of digital technology to improve transport efficiency.

#### ■ Collaboration with External Organizations

We achieved joint-transportation via the SF25 through collaboration with the Japan Logistics Network Association and other member companies. This association aims to achieve logistics in harmony with the diverse interests of society, such as the global environment, and improve people's lifestyles. They are also striving to reduce CO<sub>2</sub> emissions from transportation. Yamato Transport approves of these targets and as members we are participating in initiatives, such as green logistics. In the case of the SF25, we supported the relaxation of special vehicle permit standards (easing vehicle length limits from 21m to 25m) together with other members and participated in field tests. Following this, in the fiscal year ended March 31, 2019, the Ministry of Land, Infrastructure, Transport and Tourism revised special vehicle permits and we were able to launch our joint-transportation system using the SF25. The SF25 is expected to make transportation more efficient and reduce CO<sub>2</sub> emissions because one vehicle can carry the load capacity of two heavy-duty trucks.

### ④ Opportunities to Expand Low-Carbon Products and Services

Through improving and expanding our services that strike a balance between enhancing customer convenience and containing redeliveries, not only can we decrease GHG emissions but we can also increase orders and boost revenue. Or, the increased use of refrigerated parcel delivery service could have a positive impact on our revenue. In addition, by developing leading new technology maintenance services, we may be able to gain the competitive advantage in the vehicle maintenance market and secure more revenue.

#### ■ Strategy

We offer the *Kuroneko Members* service, a members-only service for individual customers in which registered members can designate their desired day, time, and location for receiving packages. We are also expanding the installment of PUDO stations, which offer open-type parcel lockers that facilitate the receipt and shipment of packages without face-to-face interaction. In addition, in 2020 we launched the new delivery service *EAZY*, which connects EC users, EC operators, and delivery service providers in real time using digital information and enhances the convenience, safety, and efficiency of purchasing, sending, and receiving parcels. *EAZY* is part of our pursuit of further improvement of convenience, containing redeliveries, and reducing GHG emissions.

(For more details on *EAZY* initiatives, please refer to page 23)



Super-Full Trailer 25



Departing ceremony for joint transports



PUDO Station



We can also respond to requests for drop-off delivery with *EAZY*.

# Sustainability Initiatives: Creation of a Working Environment Where Employees Can Play an Active Role

## Basic Approach

The Yamato Group's greatest asset is its 220,000 employees. Our strength as a group can only increase if we create a working environment where each employee can hone and fully display their "individual capabilities." The Yamato Group will put effort into developing a system and structure related to the working environment, while cultivating a corporate culture that promotes appropriate labor practices. With a work environment where employees can play an active role as a foundation, each employee will contribute to improving people's quality of life by practicing "inclusive management," which is a Yamato Group founding principle, and by seeking to offer even better services.

As a supporting Company of the UN Global Compact, the Yamato Group supports and is striving to implement the labor principles: "Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining," "the elimination of all forms of forced and compulsory labour," "the effective abolition of child labour," and "the elimination of discrimination in respect of employment and occupation."

We recognize the rights of employees to freedom of association, the right to organize, and the right to collective bargaining and have entered into labor agreements with the labor

union. We hold committees and labor-management meetings between employee representatives and management personnel and promote labor-management engagement, in addition to holding regular exchanges of opinions related to the business environment and improvement of various systems, such as discussion of wages, bonuses, and workplace health and safety.

Furthermore, under labor standards, such as salary and working hours, in order to develop an even better working environment while thoroughly complying with the laws and regulations of each country, we are practicing payment of living wages and bonuses that can support a certain standard of living.

The Yamato Group believes that it is important to contribute to the development of regions and countries in which it conducts business and create a good relationship with them, while promoting sustainable business activities. At our bases in various countries and regions, we are focusing on hiring local talent and promoting management based on the culture and present circumstances of these areas.

Going forward, the Yamato Group will continue to pursue better labor practices and will contribute to achieving "decent work."

## Labor-Related Targets and Results

### Results

- The previous medium-term management plan "KAIKAKU 2019 for NEXT100" (from the fiscal year ended March 31, 2019)

| Main items                                    | Main targets (excerpt)                              | Results (fiscal year ended March 31, 2019)   |
|---|---|--|
| Drastic improvements to overall working hours | Reduce overtime work for full-time employees by 50% | Reduced overtime hours per full-time employee by 52.0% compared with the fiscal year ended March 31, 2017                          |
| Promotion of work-life balance                | Promote the taking of annual paid vacation days     | Achieved 89.1% of annual paid vacation days taken by employees (36.6% increase compared with the fiscal year ended March 31, 2017) |

### Targets

- The next medium-term management plan "One Yamato 2023" (fiscal year ending March 31, 2024)
  - Increase operating revenue per employee (high-value-added work)
  - Reduce overtime hours per employee by 20% compared with the fiscal year ending March 31, 2021
  - Achieve 90% of annual paid vacation days taken by employees (achieve work-life balance)

## Labor-Related Risks and Management

- Risks Due to Declining Work Population

Since many of the businesses developed by the Yamato Group are labor-intensive, it is essential to secure a workforce with high-quality personnel and deploy employees appropriately. Situations such as the further tightening of labor market conditions and the inability to sufficiently secure personnel due to the declining workforce in Japan, or the substantial increase in costs due to the intensifying competition for securing personnel may affect areas including the results of operations for the Yamato Group.

- Management

The Yamato Group is creating a working environment that is employee-friendly, rewarding, and is one in which employees can play an active role while increasing employee satisfaction. At the same time, we are promoting initiatives to become a company that attracts a diverse range of employees. These initiatives include creating an appealing personnel system; introducing an evaluation system where employees can work enthusiastically and the independence and autonomy of employees are valued; and rebuilding the education system. Furthermore, we are promoting the digital transformation (DX) of TA-Q-BIN; the optimization and standardization of the transportation and delivery processes as well as our overall operations; the enhancement of the accuracy of our demand and workload forecasts through data analysis; and the utilization of AI to boost the productivity of pickup and delivery and trunk-route transportation. In addition, we are promoting the reform of the sorting process by introducing digitalization and robotics with the aim of boosting the productivity of the sorting process across the entire logistics network.

# Sustainability Initiatives: Creation of a Working Environment Where Employees Can Play an Active Role

## Initiatives Aimed at Improving the Working Environment

### Development of a Working Environment That is Employee Friendly and Rewarding for Employees

Under the previous medium-term management plan, which concluded in the fiscal year ended March 31, 2020, we placed “work style reform” at the center of management and strove for management structural reform with the aim of reinforcing our management foundation in order to realize sustainable growth. Under the supervision of the Yamato Group Work Style Committee, led by the Yamato Holdings president, employees and management worked together to promote initiatives based on three policies: achieve new work styles, maximize “individual capabilities”, and thoroughly improve operational efficiency. This was carried out in order to continue offering high-quality service by improving the employee-friendly and rewarding working environment and implementing “inclusive management”—a Yamato Group founding principle.

Furthermore, we concentrated on the further improvement of the working environment while at the same time promoting efforts to maximize individual capabilities and invigorate communication between employees. Yamato Transport, which has approximately 180,000 employees, held discussions on work style reform that included part-time employees, many of

whom felt no real sense of work style reform to further improve the employee friendliness of the working environment and enhance value offered to customers (number of participating employees:



Discussion on work style reform

4,750 in the fiscal year ended March 31, 2020, including 1,944 part-time employees (held 133 times); cumulative total of 14,904 employees from the fiscal year ended March 31, 2018 to the fiscal year ended March 31, 2020).

Additionally, in order to create the opportunity for all employees to learn and grow, we implemented training related to harassment prevention and understanding of our corporate philosophy for all employees, from part-time employees to management (attendance rate: 95.7% in the fiscal year ended March 31, 2020).

Information regarding labor practices, including work style reform, can be found on the Group homepage.  
[https://www.yamato-hd.co.jp/csr/society/labor\\_practice.html](https://www.yamato-hd.co.jp/csr/society/labor_practice.html)

### Introduction of New Uniforms That Are Environmentally Friendly and Further Improvement of Working Environment

In September 2020, the Yamato Group introduced new uniforms. In order to achieve a more employee-friendly working environment, we listened to the voices of our employees and further improved functionality, safety, and comfort by incorporating various technologies and innovations, such as improving the elasticity, durability, and safety of the fabric, as well as protection against the cold.



Additionally, in consideration of the environment, the fabric utilizes plant-based polyethylene terephthalate (PET). Compared with traditional petroleum-based PET, we estimate that 2.2 million uniforms (initial production quantity calculation) can reduce CO<sub>2</sub> emissions by approximately 500t. The uniforms, which will lead to new work styles and the creation of a sustainable society, will help to foster employee engagement and increase motivation at work.

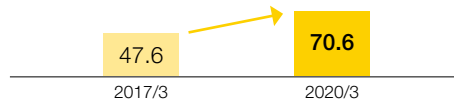
## Working Styles Awareness Surveys

Under the medium-term management plan “KAIKAKU 2019 for NEXT100,” which concluded in the fiscal year ended March 31, 2020, we placed “work style reform” at the center of management and promoted initiatives to create a more employee-friendly and rewarding working environment throughout the Group and further practice “inclusive management,” which is one of the Yamato Group’s founding principles. Additionally, to improve the effectiveness of these initiatives, we carried out Groupwide employee awareness surveys and promoted initiatives aimed at the understanding and improvement of circumstances.

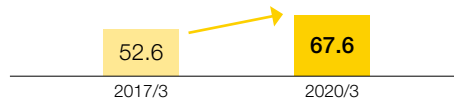
In the Working Styles Awareness Surveys carried out in the fiscal year ended March 31, 2020, the figures improved in all categories, resulting in the highest points received since the survey launched. In particular, positive opinions related to the term “employee-friendly” rose from 47.6%, before the implementation of work style reform, to 70.6%. We are seeing results by promoting work–life balance measures, such as the extension of the applicable period for reducing working hours for the purpose of nursing care and the introduction of intervals between working hours. Going forward, we will continue to strive to create a working environment in which we can become an employee-friendly and rewarding company for employees.

### Results of Working Styles Awareness Surveys

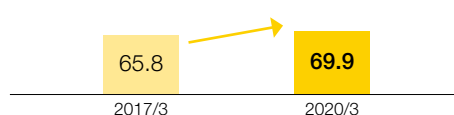
#### Percentage of employees who find their working environment “employee-friendly” (%)



#### Percentage of employees who find their working environment “rewarding” (%)



#### Percentage of employees who desire to continue employment (%)



# Sustainability Initiatives: Measures for Safety and Peace of Mind That Support Business Continuity

## Basic Approach

The Yamato Group owns a large number of vehicles and uses public roads as its principle place of business. For that reason, the Group's operations have a major impact on society, and thus we place significant importance on ensuring the safety of communities. Additionally, since traffic safety is considered to be a part of the occupational safety of the employees who drive our vehicles, it is recognized as an important issue for the Yamato Group, which operates its business through its more than 220,000 employees.

Based on the corporate stance of respecting human life and ensuring safety, the Group thoroughly adheres to its philosophy of placing safety first and business second to position respect for human life as a priority at all times. General freight automotive transportation operators of a certain business scale are required to establish safety management regulations and report them to the Minister of Land, Infrastructure, Transport and Tourism. Group companies subject to this obligation have established safety management regulations in accordance with this law. The Group places a particular emphasis on “promoting safety management systematically and continuously through the leadership of top management,” as indicated in the law, and is promoting initiatives to this end.

## Safety Management Structure

Based on the Yamato Group's Safety Management Regulations, each Group company has established a safety management structure.

Guided by the leadership of its top management, the Group has set up an organizational management structure involving a collaboration between those on the transportation front lines and those in administrative divisions, in order to enhance the effectiveness of its transportation safety management.

Also, in regard to important information on such matters as serious transportation-related accidents, the Group maintains a framework for sharing such information with Yamato Holdings, which oversees the Group, in an effort to promote transportation safety on a Groupwide level.

## Safety and Peace of Mind-Related Targets and Performance (Domestic Consolidated Subsidiaries and Swan Co., Ltd.)

### Performance

| Item                                    | 2016/3 | 2017/3 | 2018/3 | 2019/3 | 2020/3 |
|---|--------|--------|--------|--------|--------|
| No. of serious traffic accidents*1      | 7      | 3      | 1      | 1      | 2      |
| No. of serious work-related accidents*2 | 0      | 0      | 1      | 1      | 0      |

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

\*2 Deaths from work-related accidents

### Targets (fiscal year ending March 31, 2024)

- Achieve zero serious traffic accidents (fatal traffic accidents for which the Company is responsible)
- Reduce number of traffic accidents (where bodily injury occurs) by 50% compared with the fiscal year ended March 31, 2020
- Achieve zero serious occupational diseases (work-related deaths)
- Reduce frequency of lost workday injuries\* by 20% compared with the fiscal year ended March 31, 2020

\* Number of work-related fatalities and injuries resulting in at least one lost day of work or the loss of body parts or functions per million working hours

## Risks and Management of Safety and Peace of Mind

### ■ Risks Related to Serious Traffic Accidents and Serious Work-Related Accidents

The Yamato Group carries out operating activities using vehicles on public roads, mainly in the delivery business. If a serious traffic accident were to occur, public confidence in the company would decrease, while at the same time vehicle use may be suspended due to administrative penalties, business at our offices may be suspended due to the “demerit point system,” or our business license may be withdrawn. This could result in the suspension or closure of the business. In addition, in the event of serious occupational diseases that compromise the workplace safety of employees, the Yamato Group's results of operations and other results may be impacted.

### ■ Management

In light of these risks, the Yamato Group respects human life as a priority, and is striving to promote transport safety management, establish and comply with rules to ensure safety, improve facilities and systems, instill safety awareness in employees, and ensure workplace safety.

## Sustainability Initiatives: Measures for Safety and Peace of Mind That Support Business Continuity

### Safety Initiatives

#### ■ Driver Aptitude Examination

Automotive transportation operators are required to have their drivers take an aptitude examination that is recognized by the Ministry of Land, Infrastructure, Transport and Tourism. The drivers of the Yamato Group undergo driver aptitude examinations on a regular basis. These examinations consist of two types: mandatory examinations, including examinations after being hired, age-specific examinations, and other specific examinations, and voluntary examinations, including general examinations. In addition to the mandatory examinations, Group drivers take voluntary examinations once every three years to ensure safe driving.

#### ■ Training of Sales Drivers (Yamato Transport)

To develop excellent sales drivers who strictly practice safe driving, the Group provides them with detailed guidance on a daily basis. Yamato Transport sales drivers are hired after a rigorous aptitude examination and, upon joining the Company, receive training that includes safety training and other forms of training for approximately one month. After acquiring their Company license, they are able to engage in driving operations for the first time. They continue to hone their driving skills through training sessions for one year after joining, regular ride-along guidance, and on-the-road patrols by safety experts, as well as a driving aptitude examination held once every three years.

#### ■ Enhancement of Training for Safe Driving through the Use of Data (Yamato Transport)

Yamato Transport is gradually equipping all pickup and delivery vehicles with in-vehicle terminals\* that gather a variety of operating data, such as speed, parking location information, road images, and driving routes created through information obtained from GPS antennas. By visualizing and analyzing operating data that is centrally managed through these in-vehicle terminals, safety experts and other personnel can gain a more detailed understanding of the driving characteristics of sales drivers and realize preventative-type training for safe driving that is tailored to each driver's driving characteristics. In this way, we are further strengthening initiatives toward safety and security.

\* All pickup and delivery vehicles are scheduled to be equipped with in-vehicle terminals during the fiscal year ending March 31, 2021.

#### ■ Contest to Enhance Safety Awareness and Techniques

With the aim of improving the driving safety of its professional drivers, maintaining Companywide safety awareness, and improving driving techniques, Yamato Transport has been holding the Yamato Transport Nationwide Safety Meet annually since 2010. At the Ninth Annual Yamato Transport Nationwide Safety Meet held in 2018, 38 sales drivers and 11 operational managers took part after advancing through the preliminary rounds at regional and other branches to compete with each other on driving techniques and the knowledge necessary for safe driving.

Furthermore, we are implementing simulation training in order to prevent accidents when reversing, turning left, or making tight turns. We are also implementing training that simulates safely opening doors and intersections with no traffic signals, and are making efforts to prevent traffic accidents. In the fiscal year ended March 31, 2020, 2,901 drivers took part in this simulation training.



The Ninth Annual Yamato Transport Nationwide Safety Meet

#### ■ Commendation Awards for Zero Traffic Accidents That Recognize Professional Drivers Dedicated to Safe Driving

The Yamato Group's philosophy of placing safety first is underpinned by its drivers who demonstrate safe driving on a daily basis. Yamato Transport, Yamato Home Convenience, Yamato Global Express, Okinawa Yamato Transport, Yamato Multi Charter, and Yamato Box Charter annually recognize and reward outstanding drivers who continue to drive safely without causing any accidents.

Further, Yamato Transport presented awards for excellence in safety to 3,137 centers that achieved zero accidents and zero disasters throughout the fiscal year ended March 31, 2020.



Commendation awards for zero traffic accidents

**Peace-of-Mind Initiatives**

■ **Response to COVID-19 Infections**

The Yamato Group prioritizes maintaining the health and safety of its customers and employees and is carrying out measures to prevent the spread of COVID-19 while continuing to provide *TA-Q-BIN* and other logistics services.

**Initiatives Regarding Customers**

- End the use of *hanko* and signatures for receipt of parcels and deliver to houses without face-to-face contact
- Promote the use of PUDO stations and sending parcels via smart phone
- Maintain social distance and install hand sanitizer dispensers at *TA-Q-BIN* centers
- Set up clear plastic sheets at counters in *TA-Q-BIN* centers to prevent droplet infection
- Carry out regular, thorough disinfection of offices, vehicles, and equipment
- Utilize our homepage to distribute information

**Initiatives Regarding Employees**

- Ensure employees monitor their own health (check temperature before reporting to work and thoroughly gargle and wash hands)
- Procure necessary masks and disinfectant
- Endorse and implement remote working
- Ask employees at high risk of severe complications from contracting the virus to refrain from coming to work and offer special paid leave (elderly people with a high risk of infection, pregnant women, and people with pre-existing health conditions)
- Reduce various reception hours (*TA-Q-BIN* center counters and customer service center information desks)
- Establish a COVID-19-related consultation contact point for employees
- Share and coordinate multilingual consultation contact points for foreign employees
- Provide compensation to reward workers who continued to work under the state of emergency declared by the government and provided the logistics services essential for people's lives and business activities
- Distribute the "COVID-19 Response Manual" and promote rapid response during an outbreak

**SRI Indexes (As of June 2020)**

▶ **SNAM Sustainability Index**

An index that was established by Sompo Asset Management Co., Ltd., adopting a unique evaluation system that utilizes the experience and insight of sompo Risk Management Inc. (environmental study) and IntegreX Inc. (social and governance study).



▶ **FTSE4Good Index Series**

A representative index of socially responsible indices, which adopts companies meeting FTSE Russell's criteria based on its ESG survey and evaluation of sustainability, targeting worldwide major companies.



▶ **S&P/JPX Carbon Efficient Index**

One of the ESG indices developed by Japan Exchange Group, Inc. and S&P Dow Jones Indices. A stock price index that determines the adoption ratio of stocks with an emphasis on the disclosure status of environmental information and the level of carbon efficiency, targeting stocks composing TOPIX.



▶ **FTSE Blossom Japan Index (First Adopted in June 2020)**

An index designed to measure the performance of Japanese companies that demonstrate strong environmental, social, and governance (ESG) practices.

Note: ESG investment index adopted by the GPIF (Government Pension Investment Fund)



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