


Sustainable Medium-Term Plans 2023 (2023 Targets)

~Yamato Group Sustainable Management Reform~

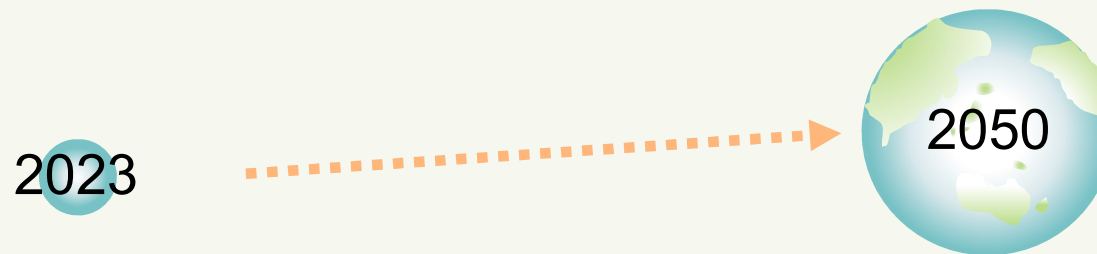
Yamato Group Sustainable Management Reform



The Yamato Group is moving forward with sustainable management reform in order to evolve into a company that fulfills the current and future needs of customers and local communities and supports the development of society.

Sustainable Medium-Term Plans 2023 (2023 Targets)

Establish plans and targets through 2023 with the aim of realizing our two visions for a sustainable future.



Sustainable Medium-Term Plans 2023

- Medium-Term Environmental Plan 2023
- Medium-Term Social Plan 2023
(2023 Targets)

Environmental Vision

“Connect. Deliver the future via green logistics”

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

(Long-Term Targets)

Medium-Term Environmental Plan 2023

(Main Fiscal 2023 Targets)

Moving Forward, “Connect. Deliver the Future via Green Logistics”.
Yamato Group's Individual-Driven Environmental Reforms.

Energy & Climate

Mitigate Climate Change



- Reduce greenhouse gas emissions by 10% compared to fiscal 2020*1
- Reduce greenhouse gas emission intensity by 10% compared to fiscal 2020*2
- Use 30% of electricity generated via renewable energy sources

Related SDGs



Atmosphere

Clean Up the Skies (Prevent Air Pollution)

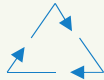


- Reduce NOx and PM emissions from vehicles by 25% compared to 2020*3
- Introduce vehicles that emit fewer air pollutants



Resource Conservation & Waste

Promote Resource Conservation and Reduce Waste



- Use 55% renewable resources and recycled materials for paper materials*4
- Reduce landfill disposal rate (final disposal rate) to 5% or less*5
- Provide products utilizing recycled materials and resource-saving materials



Resilience of Companies & Society

Support a Society That Combats Environmental Changes



- Green logistics in collaboration with our business partners
- Collaborate with society to improve environmental resilience (Conduct tests and distribute information for adapting to climate change, etc.)
- Provide environmentally friendly products and services



Reinforce Environmental Management

*1: In-house emissions of consolidated companies in Japan and Swan Co., Ltd. (Scope1 & Scope2). *2: In the same range as *1. tCO₂e /operating revenues of ¥100 million.

*3: The range refers to Yamato Transport Co., Ltd. *4: Paper material refers to cardboard for shipping, pickup and delivery materials, etc. *5: Equivalent to reduction by half compared to the past.
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Medium-Term Environmental Plan 2023

(Details of Fiscal 2023 Targets)

Aim to reduce greenhouse gas emissions through such means as using electricity generated via renewable energy sources, enhancing transportation efficiency, and reducing use of dry ice.

Energy & Climate Mitigate Climate Change



- Reduce greenhouse gas emissions by 10% compared to fiscal 2020*1
- Reduce greenhouse gas emission intensity by 10% compared to fiscal 2020*1,2
- Use 30% of electricity generated via renewable energy sources*3
- Reduce greenhouse gas emissions by 3% compared to 2022*4

Related SDGs



Low-carbon transportation/offices: *Introduce low-carbon technology

- Continue field tests of new electric vehicles (EVs) and fuel cell vehicles (FCVs) (including medium size trucks for long-distance travel) with other industries
- Carry out investigations and collaborative research into automated mobility*5 with the aim of realizing low-carbon transportation and preventing air pollution
- Reduce the use of dry ice to refrigerate packages:
Substitute with 13,000 mechanical cold boxes and 1,200 refrigerator trucks

*Enhance operational efficiency

- Visualize operational status and enhance transport efficiency based on data by fully leveraging digital technologies. Promote eco-driving
- Promote modal shifts: 180 units for rail and sea transports
- Conduct demonstration tests of a model delivery center that uses 100% renewable energy
- Consolidate touch points (locations) and install LED lights

Measure energy and optimize energy management

- Reinforce energy management

Conduct financial analysis and promote low-carbon investment

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

*1: In-house emissions of consolidated companies in Japan and Swan Co., Ltd. (Scope1 & Scope2). *2: tCO₂e/operating revenues of ¥100 million. *3: Consolidated companies in Japan and Swan Co., Ltd.

*4: Overseas. Scope 1 & Scope 2. *5: automated mobility such as autonomous driving and truck platooning.

Medium-Term Environmental Plan 2023

(Details of Fiscal 2023 Targets)

Pursue transportation that reduces effect of air pollutants emitted by vehicles and cleans up skies in local communities.

Atmosphere

Clean Up the Skies
(Prevent Air Pollution)



- Reduce NOx and PM emissions from vehicles by 25% compared to 2020*1
- Introduce vehicles that emit fewer air pollutants

Related SDGs



Reduce air pollutant emissions
from transportation

-Carry out investigations and collaborative research into automated mobility with the aim of realizing low-carbon transportation and preventing air pollution

Reinforce Environmental Management

- Maintain and improve effectiveness of environmental management system (improve management levels)
- Implement environmental accounting (Group Companies in Japan)
- Enhance development of human resources with deep knowledge of the environment (environmental education) and grant incentives



*1: The range refers to Yamato Transport Co., Ltd.

Medium-Term Environmental Plan 2023

(Details of Fiscal 2023 Targets)

Drastically reduce the environmental burden and promote use of technology and create opportunities for minimizing environmental impact.

Resource Conservation & Waste

Promote Resource Conservation and Reduce Waste



- Use 55% renewable resources and recycled materials for paper materials*1
- Reduce landfill disposal rate to 5% or less*2
- Provide products utilizing recycled materials and resource-saving materials

Related SDGs



Reduce use of resources, reduce waste, and recycle

- Reduce amount of paper material used by 3% compared to fiscal 2020
- Reduce landfill waste volume (final disposal volume) by 3% compared to fiscal 2020
- Reduce waste volume intensity by 3% compared to fiscal 2020
- Raise recycling rate to over 80%
- Reduce amount of resources used, reduce waste volume, promote recycling*3

Use renewable resources, recycled materials, and less plastic

- Use 7% renewable resources/recycled materials for containers/packaging materials*4
- Promote the use of recycled materials for packaging*3, *5

Develop reusable materials and provide framework for material sharing usage*6

- Promote the practical application of materials for reuse and provide transportation with shared reusable materials
- Launch a model for sharing reusable materials and expand user base

Reduce water usage and improve water quality

- Reduce water consumption intensity by 3% compared to fiscal 2020
- Advance water reuse and water quality conservation
- Advance activities to reduce volume of water used*3

*1: Paper material refers to cardboard for shipping, pickup and delivery materials, etc. *2: Equivalent to reduction by half compared to the past. *3: Overseas. All other items in Japan.

*4: Containers/packaging material includes packaging used for shipping and cushioning materials. *5: Overseas logistics/moving-related services. *6: External collaboration.

Medium-Term Environmental Plan 2023

(Details of Fiscal 2023 Targets)

Collaborate with diverse partners to increase resilience of stakeholders and local communities and create environmental value.

Resilience of Companies & Society

Support a Society That Combats Environmental Changes



- **Green logistics in collaboration with our business partners**
- **Collaborate with society to improve environmental resilience (Test a model for renewable energy and EV usage that increases resilience. Begin distribution of information for adapting to climate change.)**
- **Provide environmentally friendly products and services*1**

Related SDGs



Collaborate with Society to Improve Environmental Resilience
Engage in environmental communication

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

Green Logistics in Collaboration with Our Business Partners

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

*1: Products and services with environmental value and a low burden on the environment.

Medium-Term Social Plan

(Main Fiscal 2023 Target)

Through Co-Creation and Fair Business Activities, Help Create a Society That “Leaves No One Behind”.

Labor

Create a work environment where employees can thrive



- Improve operating revenue per employee (through high-value-added work)
- Reduce overtime for employees by 20% compared with fiscal 2020
- Ensure annual paid leave utilization rate is 90% (achieve work-life balance)

Related SDGs



Human Rights & Diversity

Create a corporate culture that respects human rights and diversity



- Ensure 100% attendance rate in human rights training for all employees
- Ensure percentage rate of employees with disabilities is 2.5%
- Double number of female managers (executives) compared with fiscal 2020 and ensure 10% of all managers are female



Safety & Security

Create initiatives to carry out business in a safe and secure manner



- Achieve zero serious traffic accidents (fatal traffic accidents where the Company is responsible)
- Reduce number of traffic accidents (where bodily injury occurs) by 50% compared with fiscal 2019
- Achieve zero serious occupational diseases (work-related deaths)
- Reduce frequency of lost workday injuries by 20% compared with fiscal 2019



Medium-Term Social Plan

(Main Fiscal 2023 Target)

Through Co-Creation and Fair Business Activities, Help Create a Society That “Leaves No One Behind”.

Data Utilization & Security

Create an information security infrastructure



- Develop an infrastructure for creating businesses that utilize data to resolve social issues
- Achieve zero serious information security incidents
- Ensure 100% deployment of information security managers at major organizations and 100% implementation of training for information managers

Related SDGs



Supply Chain Management

Develop a common understanding with stakeholders



- Complete creation and demonstration of monitoring framework



Local Community

Create corporate citizenship activities that are rooted in local communities and create a framework for business creation



- Complete creation of a framework to measure effectiveness of corporate citizenship activities and business in resolving social issues



Medium-Term Social Plan

(Details of Fiscal 2023 Targets)

Implement a high-value-added model for labor and promote decent work.*1

Labor

Create a work environment where employees can thrive



- Improve operating revenue per employee (through high-value-added work)
- Reduce overtime for employees by 20% compared with fiscal 2020
- Ensure annual paid leave utilization rate is 90% (achieve work-life balance)

Related SDGs



Consider a high-value-added model for labor by promoting optimization and labor-saving and improving the work environment through the utilization of technology and digital transformation

- Reinforce personnel and labor measures aimed at achieving “decent work”^{*1} through implementing employee awareness surveys^{*2} and improve survey scores
- Establish fair working conditions regardless of employment status (equal pay for equal work)^{*2}
- Establish a diverse, flexible employment system depending on job type, role, etc.^{*2}
- Establish an environment where employees can work comfortably^{*2}
- Create employee welfare measures in order to maximize the effectiveness of human resources^{*2}

Create a work environment where employees can thrive and play an active role by improving personnel system, developing individual skills, and placing the right person in the right position (promote decent work)

- Launch educational organization and create new training structure^{*2}
- Increase time spent in training by expanding opportunities for uniform training based on position and developing training for all employees^{*2}
- Ensure 100% attendance rate for specific health checkups^{*3}

*1: Work that ensures dignity, equality, fair income, and safe working conditions. *2: For consolidated companies in Japan. *3: For offices covered by the Yamato Group Health Insurance Association.

Medium-Term Social Plan

(Details of Fiscal 2023 Targets)

Respect human rights, recognize diversity, and create a framework for human rights due diligence.

Human Rights & Diversity

Create a corporate culture that respects human rights and diversity



- Ensure 100% attendance rate in human rights training for all employees
- Ensure percentage rate of employees with disabilities is 2.5%
- Double number of female managers (executives) compared with fiscal 2020 and ensure 10% of all managers are female

Related SDGs



Create initiatives for business activities that do not violate human rights and foster a corporate culture that respects human rights

- Create a framework for human rights due diligence and complete demonstrations (level where we can set monitoring indicators after fiscal 2024)
- Carry out labor-related human rights risk assessments, as well as revision/improvement activities (focused particularly on foreign employees)
- Reinforce harassment prevention measures

Create an environment where diversity is respected and diverse employees can play an active role

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

*1: All above figures are for consolidated companies in Japan and Swan Co., Ltd.

Medium-Term Social Plan

(Details of Fiscal 2023 Targets)

Maintain traffic/labor safety and provide “reliable service”.

Safety & Security

Create initiatives to carry out business in a safe and secure manner



- Achieve zero serious traffic accidents (fatal traffic accidents where the Company is responsible)
- Reduce number of traffic accidents (where bodily injury occurs) by 50% compared with fiscal 2019
- Achieve zero serious occupational diseases (work-related deaths)
- Reduce frequency of lost workday injuries by 20% compared with fiscal 2019

Related SDGs



Create initiatives in order to carry out business in a safe and secure manner and establish a safe work culture

- Carry out annual Groupwide management review (traffic safety*¹ and occupational safety and health*²)
- Attain 100% attendance rate in traffic safety training for drivers and managers*¹
- Nurture mentors and implement in-house training based on mentors*¹
- Implement safety measures utilizing technology-based hardware*¹

- Attain 100% attendance rate in occupational health and safety training by all employees (full-time and part-time workers)*²
- Decide on occupational health and safety policies*²
- Create a management system (create system, develop procedure manual, gather information on figures, create framework for monitoring, conduct thorough audits, etc.)*²

Create an internal infrastructure to realize a society with zero stakeholder dissatisfaction (stress)

- Perfect the definition of reliable service and create implementation policies/evaluation standards to provide such service*³
- Create a system/framework to assess the status of providing reliable service and complete demonstrations (internal assessment)*³
- Begin to disclose information regarding the status of providing reliable service*³

*1: For consolidated companies in Japan. *2: For consolidated companies in Japan and Swan Co., Ltd. *3: For Yamato Transport Co., Ltd.

Medium-Term Social Plan

(Details of Fiscal 2023 Targets)

Create an information security infrastructure and create businesses that utilize data to resolve social issues.

Data Utilization & Security

Create an information security infrastructure



- Develop an infrastructure for creating businesses that utilize data to resolve social issues
- Achieve zero serious information security incidents
- Ensure 100% deployment of information security managers at major organizations and 100% implementation of training for information managers*2

Related SDGs



Develop an infrastructure for creating businesses that utilize data to resolve social issues

- Improve data governance
- Put data management into practice
- Improve data quality
- Identify issues through data analysis and visualization and examine the social outcomes of resolving these issues

Create an information security infrastructure to support the shift to data-driven management

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

*1: For consolidated companies in Japan and Swan Co., Ltd. (except *2) *2: For Yamato Transport Co., Ltd.

Medium-Term Social Plan

(Details of Fiscal 2023 Targets)

Build a stable business infrastructure through sound, resilient supply chains.

Supply Chain Management

Develop a common understanding with stakeholders



• Complete creation and demonstration of monitoring framework

Formulate a common understanding with internal and external stakeholders

- Select key suppliers for periodic monitoring and communicate with suppliers at least once every three years
- Select key employees (departments) responsible for in-house implementation and implement training at least once every three years
- Create a system to monitor the status of our business partners
- Share information with clients and hold periodic explanations and reviews (reinforce communication)

Related SDGs



*1: All above figures are for Yamato Transport Co., Ltd.

Medium-Term Social Plan

(Details of Fiscal 2023 Targets)

Establish corporate citizenship activities that are unique to the Yamato Group.
 Create a business model that revitalizes local economies.

Local Community

Create corporate citizenship activities that are rooted in local communities and create a framework for business creation



• Complete creation of a framework to measure effectiveness of corporate citizenship activities and business in resolving social issues

Related SDGs



Establish corporate citizenship activities that are rooted in local communities and are unique to the Yamato Group

- Undertake corporate citizenship activities that enrich local communities (equivalent to 1% of annual revenues)
- Establish in-house rules (evaluation standards, reporting lines, etc.)
- Create environment for staff to volunteer (volunteer leave, information sharing environment, rules for participation, etc.)

Create an in-house environment for business creation

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

*1: All above figures are for consolidated companies in Japan and Swan Co., Ltd.
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