HTS Group Sustainability

At the HTS Group, we are all about treating people and nature with great respect. In this connection, our fundamental policy is to do our part to help create an affluent society through fair business practices, as we boost our value for all of our stakeholders.

HTS Group’s Stakeholders

The HTS Group manages and maintains its business activities through interaction with our broad array of stakeholders including customers, shareholders, local communities, and local administrations. We promote effective activities toward solving social issues.

Basic CSR Policy

Under the corporate philosophy, the HTS Group promotes activities in line with the Basic CSR Policy with an aim to realize a sustainable society through communication with our various stakeholders and integrate sustainability and management. As part of this cycle, we will also promote active disclosure of ESG information and contribute to achievement of SDGs in cooperation with our various stakeholders.

Sustainability Promotion Structure

In order to promote sustainability on a group-wide level, the Group has set up the “Sustainability Promotion Committee”, chaired by Senior Vice President and Executive Officer, General Manager of Corporate Strategy Office, and holds meetings regularly.

Recognition of Social Responsibility: Material Issues

Taking into consideration opinions of external experts, we understand and prioritize social/environmental issues and expectations to identify material issues in 2017 after assessment and examination for adequacy by CSR Promotion Committee (predecessor of the Sustainability Promotion Committee) and the management, as well as approval of the Executive Committee. With the recognition of the identified material issues as the social responsibility that the HTS Group should fulfill, we promote effective activities toward solving social issues.

Identification process

Step 1: Understood issues

With reference to global common standards including Global Reporting Initiative (GRI) guidelines, UN Global Compact, ISO 26000 and priority issues in transportation sector by ESG rating agencies, we created a list of 73 items of relevant environmental, social and economic issues.

Step 2: Prioritized issues

We evaluated “Impact on society” and “Impact on the HTS Group’s business” of the 73 issues on the list on a scale of one to five through workshops with external experts and mapped them in a matrix. Then, we categorized items with high impact into 15 proposed material issues.

Step 3: Validated and identified

After those 15 proposed material issues were assessed and examined for adequacy by CSR Promotion Committee and the management, taking into consideration opinions of external experts, they were identified as the Group’s material issues with approval of the Executive Committee.

Material issues

- Social
  - Safe and healthy work environment (occupational Health and safety)/ Social and environmental responsibility in supply chains/socially responsible procurement/New technologies (creating/utilizing innovations and cutting-edge technologies)/Diversity and employee development/Local community (promoting employment in the local communities)/Fair labor practices/Environment management relations, collective bargaining/Respect for human rights (addressing global human rights issues)/Quality and safety (service quality and safety)/Environmentally and socially responsible logistics services
- Environment
  - Carbon (emissions)/Afforestation /Renewable energy (use of clean energy)
- Governance
  - Compliance governance/ERC (excluding: climate change adaptation)/Information disclosure (operational transparency)

Corporate Activities: Four Objectives

To decide specific activities for the issues that we should address with priority, we developed four objectives based on the material issues with CSV viewpoint. In FY2018, the HTS Group set specific themes and relevant KPIs for each objective, based on which we are strengthening our initiatives using PDCA cycle since FY2019.

Four objectives

- Objective 1
  - Pursue Next-generation Industries and Productivity
  - CSV viewpoint 1
    - Pursue Next-generation Industries and Productivity
    - Improve manufacturing efficiency
    - Improve operational efficiency
    - Improve in energy consumption
    - Reduction in water of operation

- Objective 2
  - Enhance Occupational Safety and Productivity
  - CSV viewpoint 2
    - Enhance Occupational Safety and Productivity
    - Reduction in business costs
    - Stable business operations
    - Increase employee engagement
    - Solution of labor shortage
    - Minimize the risk of relevant issues
    - Traffic and road safety

- Objective 3
  - Ensure Excellent Quality and Resilience
  - CSV viewpoint 3
    - Ensure Excellent Quality and Resilience
    - Reduction in business costs
    - Improvement in operation
    - Improved quality
    - Improvement in operation
    - Reduction in complaints

- Objective 4
  - Realize Decarbonized Business Processes
  - CSV viewpoint 4
    - Realize Decarbonized Business Processes
    - Reduction in business costs
    - Improvement in operational efficiency
    - Reduction in carbon/energy use

Review and Improvement: Information Disclosure and Communication

We review and improve our activities through disclosure of ESG information and dialogues with stakeholders based on objectives. By repeating a cycle of Basic CSR Policy, we will promote effective activities toward a resolution of social issues and facilitate integration of sustainability and management.

Contribution to SDGs

SDGs are 17 universal goals for the international community to be attained by 2030, and the HTS Group is fully aware of the importance of achieving the SDGs. Among 17 goals of SDGs, the following eight goals are especially relevant to our objectives. We will work to do our part in achieving these SDGs as we move into high gear to reach our objectives.

SDGs closely related to four objectives

- Objective 1
  - SDG 3: Good Health and Well-being
  - SDG 7: Affordable and Clean Energy
  - SDG 9: Industry, Innovation and Infrastructure
  - SDG 11: Sustainable Cities and Communities
  - SDG 13: Climate Action

- Objective 2
  - SDG 3: Good Health and Well-being
  - SDG 8: Decent Work and Economic Growth
  - SDG 9: Industry, Innovation and Infrastructure
  - SDG 10: Reduced Inequalities
  - SDG 14: Life below Water

- Objective 3
  - SDG 7: Affordable and Clean Energy
  - SDG 9: Industry, Innovation and Infrastructure
  - SDG 10: Reduced Inequalities
  - SDG 11: Sustainable Cities and Communities
  - SDG 13: Climate Action

- Objective 4
  - SDG 7: Affordable and Clean Energy
  - SDG 9: Industry, Innovation and Infrastructure
  - SDG 10: Reduced Inequalities
  - SDG 11: Sustainable Cities and Communities
  - SDG 12: Responsible Consumption and Production

Participation in International Initiatives

In 2020, the HTS Group signed the “UN Global Compact ("UNGC")” advocated by the United Nations. The UNGC is a voluntary initiative to participate in creating a global framework for the sustainable growth. Participating companies and organizations are required to support the ten principles related to protection of human rights, elimination of unfair labour, response to environmental issues and anti-corruption, and take actions in their business activities. To contribute to the realization of a sustainable society, the Group strives to comply with the ten principles by using various insights and good practice by participants for the implementation through Global Compact Network Japan, the local network of UNGC.

For details on sustainability, please visit our website.

Enhanced the overall system performance by enhancing 7 types of functions such as vital signs alert.

Transported 3 finished subway cars from Japan to Vietnam. Complete the project to transport social infrastructure-related equipment.

Number of sites: 169. Conduct energy-saving inspections.

Responded to CDP (A minus rating)/Enhanced disclosure of environmental information via the website. Continue to respond to CDP and prepare to endorse TCFD recommendations.

Reduction rate: down 8.3% from FY2018. Electricity consumption per floor space in “buildings”: down 1.76% from FY2020.

Provided procurement compliance education to those engaging in procurement in 19 domestic companies and 35 overseas (total 54 companies). Continue to provide procurement compliance education to those engaging in procurement in Japan and overseas.

Implemented in each site at a different timing from the HTS Group Environment Month due to the spread of COVID-19. Clean-up activities outside the Company and the light-down campaign.

Open rate: 9.6%. Rate of targeted threat emails for simulation trainings opened: less than 5%.

Attendance rate: 99.5%. Attendance rate of environmental e-learning courses: 99%.

Rate of leave taken: 2.2%. Change male employees’ mindset and create work environment that makes it easier for employees to take leave.

Continued operation between Shizuoka and Kyoto prefectures. Continue operation of double-trailer trucks.

Opened East Japan II Medical DC. Enhanced quality assurance through internal audit. Conducted transport tests. Implemented various automated/labor-saving equipment (e.g. AGV) in domestic and overseas logistics centers.

Number of OPEX designers developed: cumulative 47. Dialogue through Logistics OPEX.